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EV. 27

ASSEMBLY EDUCATION COMMITTEE

CALIFORNIA STATE LEGISLATURE, Assembly

SACRAMENTO, CALIFORNIA

Interim Committee on Education.

Hearing of

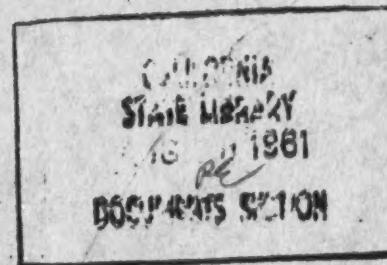
SUB-COMMITTEE ON SCHOOL DISTRICTS CONSTRUCTION FUNDS

EV. 27

Hearing

Held in

Music Drama Auditorium,
Los Angeles State College,
(5280 Gravois Street,
Los Angeles, California,



---oo---

Thursday, October 9, 1958.

10:15 o'clock, a. m.

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Governor Committee on
ASSEMBLY EDUCATION COMMITTEE
CALIFORNIA STATE LEGISLATURE
SACRAMENTO, CALIFORNIA

SUB-COMMITTEE ON SCHOOL DISTRICTS CONSTRUCTION FUNDS

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APPEARENCES

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Sub-Committee members present:

Assemblyman Carl A. Britschgi, Chairman.

Assemblyman Sheridan Hegland.

Assemblyman Don Anderson.

Committee Staff present:

James C. Marshall, Consultant,

Blanche Hansen, Secretary.

Harold Krabbenhoft, Certified Shorthand Reporter.

13 Other persons present:

14 Selmer Ostlie Los Angeles State College.

15 Roy Hill San Bernardino County Super-
16 Claude Rupel intendent of Schools.
17 Office of the Superintendent,
Riverside County.

Mr. John F. McGaugh

California Association of
School Administrators.

SCHOOL Administrators.
CASA School Building Aid Committee.

American Association of
University Women.

League of Women Voters of Arcadia

League of Women Voters of Arcadia

California School Boards Assn.

California Teachers Assn.

District Superintendent, Rio
School District, Oxnard.
Los Angeles State College

1 Others present (continued):

2	Jack P. Crowther	Los Angeles City Schools
3	Herb Jaqueth	State Allocation Board
4	Gilbert G. Lentz	Legislative Analyst
5	Milton P. Cook	La Mirada City School District, Norwalk.
6	Roy Ash	Ventura County Superintendent of Schools
7	Wallace R. Muelder	University of Southern California.

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1 LOS ANGELES, CALIFORNIA, THURSDAY, OCTOBER 9, 1958, 10:15 A.M.

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3 . . . The hearing of the Assembly Interim Com-
4 mittee on Education, Sub-Committee on School Districts'
5 Construction Funds was called to order by ASSEMBLYMAN
6 CARL A. BRITSCHGI, Chairman, at the Music Drama Auditorium,
7 Los Angeles State College, 5280 Gravois Street, Los Angeles,
8 California, and the following proceedings were had . . .

9 CHAIRMAN BRITSCHGI: Ladies and gentlemen, we
10 have a rather full agenda ahead of us.

11 This is the Committee to study the problems of
12 school districts' construction funds and over on my right
13 behind me is Assemblyman Hegland from San Diego, and the
14 author of the bill on my immediate left is your own Don
15 Anderson, whom the committee is deeply indebted to today
16 for the opportunity to be here at your new Los Angeles
17 State College. Believe me, we are very envious of what
18 you have here in this district, and I know that Don had a
19 little small part in it, and we in Sacramento are very grate-
20 ful that Don represents this area and while Don was a new
21 man in Sacramento this last session, we found him very, very
22 cooperative with us, and I think that the people in this area
23 should realize that they have a very good investment in Don
24 Anderson and we would like to see him back with us again.
25 We are very happy to have him on the Committee because he
26 has been a tremendous help to us, and Don, we certainly would

1 like to thank you for arranging the program of the day here.
2

3 On my right is the Secretary to the Education
4 Committee, Blanch Hansen, and way over by himself is Jim
5 Marshall, our Consultant, and our Staff Court Reporter here
6 is Mr. Krabbenhoft. Very happy to have you with us, sir.
7

8 I would certainly like to thank Dr. Sparks for
9 making all of these arrangements for this meeting today,
10 and I know that Dr. Mc Donald, the President of the State
11 College here, is a very busy man, especially opening up
12 this morning or in the past few weeks here with 12,000
13 students, and the Doctor has a few words to say to us and
14 I would like to get him on the agenda so that he can go
15 back to his office and get to work again, so Doctor, would
16 you take over, please, sir?

17 DR. HOWARD S. MC DONALD: (President, Los Angeles
18 State College.) Just for a word.

19 CHAIRMAN BRITSCHGI: Fine. Take just as long
20 as you wish, sir.

21 DR. MC DONALD: I have a full schedule for the
22 day so I won't take long.

23 Ladies and gentlemen, it is a pleasure to welcome
24 you on the campus. It is a marvelous feeling for the
25 faculty and students to move around on this campus and see
26 what actually has happened. It is almost a miracle. I
don't think it has been duplicated anywhere else in the
United States, practically twenty-six million dollars have

1 been spent on this campus. Ten buildings have gone up and
2 we have moved into these buildings this fall. They are
3 marvelous buildings. We are still going around with our
4 mouths open and gaping, looking to see what happened. We
5 wish to thank the Legislature and the State Department of
6 Finance, the State Department of Education, the State Depart-
7 ment of Architecture for the cooperation we have had in
8 getting these buildings and it has been ten years now that
9 we have been in the process of getting adjusted and moving
10 from the Los Angeles City College.

11 As you know, back in 1947 we wanted to make the
12 Los Angeles City College a four year college, but it ran
13 into problems. Those of you in the Legislature at that
14 time know something of the problems we ran into at that
15 time, that no Junior College could qualify as a four year
16 college, and so they just put one of the traditional State
17 Colleges in, Los Angeles State College, and when I came in
18 as President in 1949, the Board said at the City College,
19 "We are going to build some more Junior Colleges in the
20 vicinity of the Los Angeles City College, and in fact, four
21 more", and that the State College perhaps would take over
22 the whole campus, City College Campus. Well, the economics
23 of the country changed just at that time and that wasn't the
24 case. The whole membership of the City Board changed and
25 a new philosophy came in, and the City College, instead of
26 the City College going down in numbers, it grew. The State

1 College grew from 147 until we have today 12,000. The City
2 College is over 20,000. Imagine, on 34 acres, putting that
3 number of students and trying to house them. Well, the
4 City Board of Education and the Superintendent of Schools
5 of the City of Los Angeles were minded of that and they did
6 everything to make things possible to carry on, to make this
7 an educational institution. The time came when we had to
8 move off. It came home to me how necessary it was it was
9 to get on one campus. Over on the Vermont Campus we were
10 crowded, we went to all the buildings around the campus for
11 facilities. We rented all the apartment houses on Marinda.
12 Back in one of these apartment houses was a garage, and I
13 parked my car in this garage, and one evening I came out to
14 get my car and some student had parked in the driveway, so
15 I backed up my car as far as I could, and I thought he would
16 come out, but he didn't come out, so I banged on the horn
17 and he came out and he said, "Who the hell do you think you
18 are, President?" And I says, "Well, I have aspirations."
19

20 And so you see it was necessary when even the
21 students didn't even know who the President was. So it was
22 necessary to get a campus at once. That is why we are here
23 today. We are celebrating getting adjusted, and the way
24 these buildings have gone up, it is a miracle. If you have
25 time, I hope during your busy schedule of the day you get a
26 chance to go through some of these buildings. Don, you have
been through these buildings. Maybe you can help show them

1 around and if you need some more help, we can help you.
2 Don has done a wonderful job since he has been in office,
3 even though it has been short. We need you up there with
4 your experience and with your attitude toward the schools
5 and toward education. It is a very fine thing, and I
6 commend your re-election to the public. So I am behind
7 you as far as that is concerned.

8 We welcome you here on the campus, and have a
9 wonderful day. If there is anything we can do to make
10 things more pleasant for you, just let me know. I'll be
11 over in the office and just send a messenger over and we
12 will get them over here post haste.

13 We want to thank you, Mr. Sparks, on the faculty.
14 Anything we can do for you, Mr. Sparks, just let us know.

15 Thank you for inviting me to welcome you here.

16 CHAIRMAN BRITSCHGI: Fine. Thanks very much,
17 Doctor. It is a pleasure to be here.

18 I would like to have Dr. Sparks stand up. He's
19 the Assistant Director, I think, of Education; is that
20 right?

21 DR. SPARKS: Education and Administration.

22 CHAIRMAN BRITSCHGI: Education and Administra-
23 tion. Dr. Sparks, we are indebted to you this morning, sir.

24 DR. SPARKS: It is a pleasure, believe me.

25 CHAIRMAN BRITSCHGI: Thank you.

26 This problem of education is just coming to the

1 point where we are frustrated in a way of trying to house
2 the students in the State of California and this building
3 here is a wonderful example of what can be done. This
4 Committee has been handed probably one of the hardest jobs,
5 in my opinion, and I'm sure the entire Committee feels the
6 same way, trying to find a new method or an improved method
7 of financing state schools and their construction procedures.
8 Now, as you all know, we are spending billions and have spent
9 billions of dollars on schools construction, and it has always
10 been done on what has been termed an emergency basis, and
11 after something happens for ten years in a row or twelve
12 years in a row, or even the next fifteen years in row, or
13 possibly more, I think we are past that particular word
14 of "emergency". It is something that we are all facing
15 and will continue to face and under those conditions I think
16 that we are past something that is going to be a stopgap
17 basis. While we absolutely need all these bond issues,
18 and I'm sure that all of the members of the Assembly and
19 Senate certainly endorse the bond issues and ask you to do
20 everything you can to see their successful passage, it
21 really is not going to be the complete answer to education
22 in the State of California.

23 Assemblyman Hegland has done a tremendous job on
24 trying to solve this particular job and put in a bill in the
25 last session to our Education Committee, along with two
26 others, on methods of making school construction financing

1 a permanent thing, rather than this so-called "emergency"
2 idea.

3 Rather than go into explaining the bill, I know
4 that the Assemblyman is more familiar than I am with it.
5 I am going to ask Assemblyman Hegland to briefly go over
6 the bill as he has done many times before, to bring some
7 of you who are new to the committee hearing up to date and
8 let you know just exactly the problem that we are facing,
9 so at this time I would like to call on Assemblyman Hegland
10 from San Diego to present AB-3903.

11 ASSEMBLYMAN HEGLAND: Thank you, Carl.

12 This bill was presented simply as a starting point
13 and it was primarily written by Dick Wright with help from
14 a number of State Departments. Certainly no one thinks
15 it is anywhere near a final form, and just to get the pro-
16 blem on the table, one of the problems we face is to reduce
17 the cost of schools. The easiest way to reduce the cost
18 of school construction is to eliminate bonding and financ-
19 ing charges which now consume about 40 cents of each precious
20 dollar that is allocated in this field.

21 Our freeways in California and highways have been
22 built upon a "pay as you go" system without bonding and
23 financing charges. It is hoped that to a partial extent,
24 at least, our schools can be built on a similar basis. It
25 is true that under the present system we are borrowing money
26 faster than we are paying it back. It is true that we are

1 increasing the budgets of all Legislatures in the future
2 by approving more and more bond issues. It is true that
3 we face additional competition from the field of water for
4 the tax dollar, and that California's credit structure needs
5 to be protected. That is the thought behind "pay as you
6 go".

7 The bill is outlined as a 100 percent "pay as you
8 go" system, but you never get 100 percent in this world.
9 Even if we get only half way, we get many thousands of class-
10 rooms as a free bonus each year if we could do it.

11 The second problem was a problem of local control.
12 This bill is written with the open end financing, the late
13 great Frank Wright believed in, that was followed by the
14 Federal Government under their Public Law, I believe it is
15 815 or 875.

16 We do have some evidence to show under a legisla-
17 tive committee that schools now being built under State aid
18 costs more per square foot than schools not built under State
19 aid. The thought was we could achieve additional economies
20 and also at the same time achieve greater local control by
21 using the open end financing rather than square footage
22 approach.

23 The third element is that we still have about
24 200,000 youngsters on half day sessions. We are not meet-
25 ing the problem fast enough, and we should be meeting it more
26 rapidly. I think that these were the considerations which

1 guided the construction of this bill. Certainly it must,
2 like all other bills, in a complicated deal like this, have
3 behind it many amendments and have in the future many amend-
4 ments, but I would hope that the school construction problem,
5 and with this I will conclude, Carl, the school construction
6 program which is finally decided will be permanent instead
7 of "crash", will contain some elements of "pay as you go"
8 instead of relying as heavily as present on bonding, will
9 include a larger measure of local control, and will take care
10 of more expeditious construction of sufficient classrooms
11 to meet the needs.

12 CHAIRMAN BRITSCHGI: Thank you very much,
13 Assemblyman Hegland.

14 Don, do you have any comments at this particular
15 time?

16 ASSEMBLYMAN DON ANDERSON: This particular pro-
17 blem is certainly applicable to my district, because I have
18 a series of school districts within my 45. Our problem
19 as far as enrollment is concerned is comparable to other
20 fast growing areas of California, and projections are for
21 even greater population in the future and will have certain-
22 ly overtaxed our local facilities; therefore, we are most
23 grateful for the State through its equalization program,
24 to bring about what we call an "emergency" program. Perhaps
25 it is, but has provided school construction where we had to
26 have it. When it becomes a year to year, generation to

1 generation project, then I think we must take a broader
2 look at it and if we can come to some type of conversion
3 program that will dovetail with the general obligation bond
4 program so that sometime in the foreseeable future, we can
5 get on a partial "pay as you go" situation, it will certain-
6 ly help the overall State. We must look to the future for
7 continued growth, and if at all possible, apply these prin-
8 ciples of "pay as you go" for that situation. I certainly
9 want to welcome the committee to the Forty-fifth, and believe
10 you me, we are mighty proud of this campus too that we are
11 sitting in at the present time.

12 The Forth-fifth District is a good one. A lot
13 of wonderful people here, and we hope to show these people
14 to you before you leave, Mr. Chairman.

15 CHAIRMAN BRITSCHGI: Thank you very much, Don.
16 Really very happy to be here.

17 Before we go any further, have you collected all
18 the slips, Jim? Are there any of the folks that have not
19 signed one of the slips so we can get you all on the agenda
20 if you care to be heard? Now, how about lunch time? Do
21 some of you folks have other things to do in the afternoon?
22 Would you like to be heard in the morning? We have our
23 agenda, but if you are way down at the bottom, it is quite
24 possible you will have to be on this afternoon, so does some-
25 one have to leave this morning, and if so, we would be very
26

1 happy to hear from you and try to get you on this morning
2 so that we can accommodate everyone here.

3 Our first witness on the agenda will be Stanley
4 B. Shaver, who is the District Superintendent of Covina Union
5 High School District.

6 Mr. Shaver, would you come forward?

7 We do have a Court Reporter here and he will take
8 down all the information.

9 MR. STANLEY B. SHAVER: I have a manuscript here,
10 so I can give it to him and it won't be necessary.

11 Ladies and gentlemen: I am Stanley B. Shaver.
12 I am Superintendent of the Covina Union High School District.
13 The statements I shall make are a result of my experience
14 with the State Building Program over the past four years,
15 the major life of the act as it pertains to secondary educa-
16 tion in California. They will help to understand the pro-
17 blem as it exists in our area, and it is hoped they will
18 help to pave the way for a reasonable solution.

19 These observations are not intended to reflect the
20 thinking of any other person or group of individuals, but are
21 my own feelings on the matter.

22 It is certainly obvious that the tremendous bulges
23 in school population in this state have given rise to pro-
24 blems never before faced by a government or by its people.
25 It has caused immediacy of finance heretofore unknown. Its
26 rate of need has come at varying degrees and has placed

1 fiscal burdens on some school districts far out of their
2 proportional ability to pay, while leaving others with
3 little or no problems in a country where equality of oppor-
4 tunity is basic.

5 In too many instances the greatest burden in
6 population has come to bedroom areas where the need for
7 educational facilities and services becomes extremely great
8 and where the ability to pay becomes very low or at least
9 is delayed for an unreasonably long period of time.

10 As a side light to this fact, industry and high
11 assessed value operations have had, and will continue to
12 have the very natural tendency under wide awake management
13 to isolate themselves into their own cities and to withdraw
14 into school districts that have only a limited capacity
15 for school population. This produces the very well known
16 situation in which the children live in an area of compara-
17 tively low assessed valuation while the majority of their
18 parents pursue their various occupations where the higher
19 assessed valuations are located. In such areas, not only
20 does the adult population increase rapidly, but there is
21 the further tendency toward a high birth rate, which in
22 turn causes ever increasing school needs. This is the
23 situation in the Covina Union High School District. It
24 has quite a homogeneous population of the middle and upper
25 class standard, with the dubious distinction of doubling
26 its high school population each five year period with no

1 apparent signs of a let up.

2 Obviously, this brings along with it two definite
3 and distinct financial burdens. The first one is in con-
4 nection with housing where the need becomes all out of pro-
5 portion to the district's normal ability to raise the neces-
6 sary funds, and the second is the inadequate tax base to
7 provide the normal educational program where the wealth of
8 a district in terms of the number of students is continu-
9 ally decreasing. In examining the first of these problems
10 we find that tremendous strides have been made in improving
11 the inadequacies of the early building program.

12 Knowing at first hand and at the secondary level
13 the difficulties inherent in its regulations, I would have
14 to say that the present state building aid program has been
15 basically a sound one. Through concentrated studies among
16 legislators, state department heads, and administrators, we
17 have reached grounds for common understanding, and as a
18 result our building program is gradually becoming fairly
19 adequate. Building area needs have been demonstrated and
20 added allowances have been made to accommodate them; pro-
21 vision has been made for outdoor teaching stations as well
22 as for furnishing and equipping our buildings. Also,
23 school administrators, together with their legislators have
24 insisted that tax rate limitations be enacted. If this
25 program continues, it must be seen that these limitations
26 are not eliminated in the future. Also, the time limita-

1 tion for the repayment of state loans must continue to be
2 realistic in order that the continuing poor district is not
3 unduly penalized.

4 There have been two rather outstanding financial
5 implications inherent in the present program. In the first
6 place, schools are a local investment to remain indefinite-
7 ly in the district of origin. For this ownership, dis-
8 tricts have been required to place their own funds in these
9 investments to the extent that they are able. Secondly,
10 the program by its bonding methods of extending the repay-
11 ment of the bill on assessed valuations that later manifest
12 themselves in the community and that benefit from the im-
13 provements.

14 Although we consider square footage allowance very
15 tight at the secondary level, we have been able to live with
16 it in our construction of the normal high school. Yet
17 there are some things in connection with this program that
18 need further and careful study. One has to do with the
19 ability to project in a more realistic fashion the number
20 of homes likely to be built in a fast growing area during
21 the projection period of four years. As it now stands,
22 for all practical purposes, only houses under construction
23 at a particular time of application may be counted where
24 this could repeat itself several times in the projection
25 period. The second correction that must be made is in
26 the count of the number of high school students in a given

1 number of homes. At the present time it can be shown that
2 this amount in our district is at least twice that allowed
3 under state application procedures.

4 Now, it should be observed that most everything
5 being done under the present state building aid laws can
6 also be done under the proposed new legislation. However,
7 at least two things might be pointed out, and by sidelight,
8 Mr. Hegland has said that he felt that local control would
9 not be jeopardized. The first is that the local community
10 will not easily give up its control to the State. Where
11 funds are furnished entirely through state agencies, it is
12 recognized that such a problem could easily arise. In the
13 second place, the "pay as you go" plan has a tendency to
14 place too heavy a burden on a given segment of population
15 with little ability to spread it over a long period of time
16 so that future users may have an opportunity to pay their
17 proportionate share. Even at that I think the major pro-
18 blem will resolve itself into how much is the tax bill,
19 especially in times when this is under rather critical dis-
20 cussion, and even more especially in our particular area.

21 This leads rather naturally to the second aspect
22 of financing the educational program. In some respects the
23 cost of current operation with its many aspects of instruc-
24 tion, maintenance, salaries, transportation, etc., is a more
25 serious problem than that of financing the buildings. This
26 is due to the fact that it is again tied closely to the

1 local tax rate on property and there seems to be some ques-
2 tion as to how much tax this property can support. Although
3 the statutory tax limit is 90¢ for elementary education,
4 in order to provide the program they want, and the one to
5 which their children are entitled, the people living in the
6 Covina Union High School District have found it necessary
7 to advance their tax limit by 250% or more. Obviously, the
8 reason for this is the tremendous increase in the number of
9 elementary students without a true corresponding increase in
10 assessed valuation. This will continue for some time to
11 come and will probably become increasingly worse. The
12 Covina Union High School District, on the other hand, operat-
13 ing on a very tight budget has increased its tax limit from
14 75¢ to \$1.10. The only reason the high school district
15 has not found it essential to secure an increase is that the
16 elementary bulge has not completely hit its four years of
17 instruction. As it does strike the high school, it is
18 inevitable that the assessed valuation per pupil in second-
19 ary schools will start a rapid decline. It is also fairly
20 obvious that this in turn will make it necessary to increase
21 the tax rate in order to furnish an educational program
22 similar to the one now in existence and equal to that offer-
23 ed elsewhere in California, just as it has been necessary
24 for the elementary districts to boost their tax rates.

25 Now, this phase of education is quite different
26 from the building program. Where the buildings and sites

1 are part of the investment of the community and will remain
2 there, the education of its youth has a much broader impli-
3 cation. Being part of the normal society of our nation,
4 there is no indication that the products of our educational
5 program will remain in the community as do the buildings.
6 They will also be in Los Angeles, Sacramento, Washington,
7 D. C., in foreign countries representing our government,
8 and in fact any where in the world where the American flag
9 is unfurled. Therefore, it seems that the current educa-
10 tion function becomes even more an obligation of the state,
11 and in assuming that obligation it must equalize educational
12 opportunity a great deal more realistically than is now the
13 case.

14 In conclusion, as I look into the future of educa-
15 tion in my own high school district, it seems to me there
16 is a strong possibility that the assessed valuation per
17 pupil will almost be cut in half, and perhaps more. Even
18 with our present equalization program, this will mean a
19 40% increase in our tax rate just to maintain the kind of a
20 program we are now conducting. As costs increase it will
21 mean additional extra tax effort. Under present circum-
22 stances in this area where property owners are already faced
23 with high tax rates, this may become completely impossible.
24 It seems to me that this whole matter boils itself down to
25 what is a realistic tax rate on property. I have intimated
26 that it seems possible that we can continue with our present
state building prorgam with the tax rate limitation and

1 with its thirty year repayment allowance or we could initiate
2 a program as outlined in Assembly Bill 3903. There will be
3 some major problems in connection with this changeover. The
4 first will be to secure the approval of the high wealth
5 areas to share the building problem with their less fortunate
6 neighbors, and the second, althoug there are apparent savings
7 in the long run, a \$1.20 tax rate will be an increase over
8 the 80¢ theoretical maximum in the present program for the
9 total elementary and secondary improvements.

10 The second problem might be overcome by a further
11 state contribution to current expense making the total
12 property tax at least no greater and perhaps less than it
13 now is. It has already been brought out that equalization
14 can and should be made more realistic in the state.

15 It has been a pleasure to appear before this
16 committee, and I hope I have brought something of value to
17 its deliberation.

18 Also, I am certain that may very real problems will
19 have to be met as the rules, regulations and controls are
20 formulated under a law such as proposed under Bill 3903.

21 The second problem might be overcome by a further
22 state contribution to current expense, making the total
23 property tax at least no greater and perhaps less than it
24 now is. It has already been brought out that equalization
25 can and should be more equal through the state. I would
26 like to say if you would like to have questions, I would

1 pursue the matter further.

2 CHAIRMAN BRITSCHGI: Fine. Thank you very much ,
3 Mr. Shaver.

4 Mr. Hegland?

5 ASSEMBLYMAN HEGLAND: Just this one thing in a
6 question: This is Junior College level too, so it is not
7 to be compared in aid, but compare the dollar twenty plus,
8 which is theoretically the obligation now, you see the Junior
9 College level is in this? You have a Junior College Dis-
10 trict?

11 MR.SHAVER: Yes. We are in a Junior College
12 District, and as yet it hasn't hurt the tax bill too much
13 because it covers a sufficiently wide area so our assessed
14 valuation doesn't require too much.

15 ASSEMBLYMAN HEGLAND: However, there is five or
16 six cents you do pay, probably, for your Junior College bonds,
17 and if that bulge hits there, it will probably --

18 MR. SHAVER: This is true, yes. I don't know
19 what the Junior College tax rate is in our district.

20 ASSEMBLYMAN HEGLAND: My only point in raising
21 that, this eighty cent figure you used?

22 MR. SHAVER: I think the point I really want
23 to emphasize is this total tax rate, because as you probably
24 recognize, one of the biggest, you might say, tax revolts
25 in the state came in from this particular area because they
26 do have an excessive tax rate. In fact, last year it

1 approached \$10.00 on it, and there is a question on it.

2 ASSEMBLYMAN ANDERSON: The fact that you come
3 from the tax revolt area, Mr. Shaver, you spoke of the tax
4 rate limitation. As you know, a constitutional amendment
5 was introduced in the last session of the Legislature to
6 provide for a five percent limitation on a tax rate, as well
7 as tax assessment?

8 MR. SHAVER: Yes.

9 ASSEMBLYMAN ANDERSON: You also speak of any
10 limitations need to be realistic in connection with the
11 local situation. What would be your opinion of this so-
12 called five percent limitation that is now before the
13 Interim Committee for study?

14 MR. SHAVER: Now, I am not sure I understand the
15 complete implication of the five percent limitation. It
16 simply means if you had a certain tax rate last year all you
17 could do would be to add the five percent to the preceding
18 year?

19 ASSEMBLYMAN ANDERSON: That's right.

20 MR. SHAVER: I think you perhaps recall the time
21 when this law was in operation, that we did have such a law
22 in California at one time, only it applied to the total tax
23 rate itself, but it applied to the total amount of education-
24 al expense in a given district, and the law said that you
25 could not have more than five percent higher cost of educa-
26 ting pupils this year than you did the preceding year. The

1 tendency in this case was then for every district, regard-
2 less of whether the need was there or not, to get in on
3 its five percent, and each year there was an increase of
4 five percent, so that in a series of years, one of two
5 things could happen: In a district where the assessed
6 valuation was rather stagnant, and no need for additional
7 school buildings to speak of, this could be added on and
8 you would gain no purpose in this five percent. On the
9 other hand if you were in an area such as the one in which
10 I live, you have a tremendous requirement, and the five
11 percent would be of no value there either, because it would
12 be too insignificantly small. One of the very, very nice
13 features about this bill would be that I wouldn't have to
14 be spending day and night here for the next couple of weeks
15 trying to sell a bond issue.

16 ASSEMBLYMAN ANDERSON: You speak of the State per-
17 haps contributing to operating expenses for needy school
18 districts, and also the fact that the high wealth, or
19 equalized in this overall program, I suspect in your bedroom
20 community you would consider yourself a poor wealth?

21 MR. SHAVER: I'm afraid I would have to at this
22 moment.

23 ASSEMBLYMAN ANDERSON: And yet the community of
24 Covina is made up of at least medium to high income fami-
25 lies?

26 MR. SHAVER: Yes; that's right.

1 ASSEMBLYMAN ANDERSON: So school people have been
2 suggesting the possibility of having new sources of taxa-
3 tion for areas such as yours. How would you feel about
4 that?

5 MR. SHAVER: Well, other things being equal, if we
6 weren't able to get equalization in other ways, I think we
7 would look very kindly upon this. In other words, I would
8 have to say here that this would be my chief objection to
9 cutting down on the general sales tax in the State of
10 California because I have a very personal feeling this is
11 an equitable tax, and I feel then if there are other ways
12 of getting an equitable tax on everybody, it just would be
13 a good thing. I would be in favor of it.

14 ASSEMBLYMAN ANDERSON: If you were to think of a
15 new source of taxation in your particular school district,
16 what might it be? Have you ever thought about that?

17 MR. SHAVER: Well, that is a difficult one. I think
18 among educators, of course, there has been mentioned these
19 two that we had in consideration at the last Legislature,
20 a tobacco and a liquor tax. I don't think it would hurt
21 me too badly, but it might hurt some, but I think the edu-
22 cators in general have felt that this was a good tax.
23 There have been suggestions made to follow what other states
24 have done where there are taxes on such things as hotel
25 room reservations that we haven't got in California. There
26 has been suggested that there might be a tax on certain

1 real estate transactions. This is a little bit too late
2 for our district. If this had started when real estate
3 started its great activity in our district, ten years ago,
4 if there had been a real estate transaction tax for school
5 purposes, it would have been a fine thing, and maybe it
6 isn't too late, but I think this is a possibility in areas
7 where there is a terrific amount of real estate activity,
8 because this is what has caused our trouble.

9 There probably are a lot of others. I wish I were
10 a tax expert and I could give some information on this,
11 but I'm not.

12 CHAIRMAN BRITSCHGI: Thank you, Mr. Anderson.

13 Mr. Shaver, in the last several weeks, I was amazed
14 in going really into this school construction problem to
15 find that our Boards of Education are very adamant, I might
16 say, to any particular control over the types of buildings
17 or the word that you have heard many times, "frills", that
18 are added into school construction. I was amazed to learn
19 that the plans are usually submitted to the County Board of
20 Education, for an example, and while they are only submitted
21 for a knowledge purpose, if the gentlemen in the Board of
22 Education's Office doesn't like the plans, they probably
23 can mark it up and then they are sent back to the School
24 Board and the School Board does as they so please with them.

25 Now, do you think we should have some sort of a, I'll
26 not say "control", but a degree of ability to advise the

1 school boards as to what should go into a school building?
2 I think your problem in Covina, and I know the problems in
3 our area have developed, people aren't against educating
4 their children, they are against the way a lot of this money
5 has been used and while we are correcting a lot of these
6 things now because we are getting more people interested
7 in education than had previously been interested in it, due
8 to the fact they are getting these tax bills of enormous
9 amounts and they say, "Where is all this going", and we
10 find it is going into education, and when they wake up to
11 the fact that, for example now, we are building another new
12 high school in my area and I think its going to run a little
13 bit better than \$4,000 a student, and they are going to
14 house some 800 students in the thing, you can figure out
15 how much it will cost. In time it will end up an im-
16 poverished district and we will come along with state aid
17 money to help them out. Do you believe there should be
18 something along the line to stop that before it develops?
19 I would like to hear some comment. I am going to ask
20 that of a lot of other people, and you will be, shall we
21 say the guinea pig. I don't want to put you on the spot,
22 but I would like to hear your thinking on it.

23 MR. SHAVER: I don't consider myself on the spot
24 in any question you ask. I give you the benefit of my
25 experience and a frank answer. I don't resent controls.
26 I don't think any particular board resents controls, but I

1 do think that any of us would very highly resent an arbit-
2 trary statement on the part of any kind of governmental
3 authority without having some participation in it.

4 Now, as I stated in this statement, and some of the
5 people are here who know this to be true, that we have tried
6 to work very diligently with department heads in all State
7 Departments and with Legislators in sitting down with them
8 and trying to figure not only what are good educational
9 facilities, but ways in which we can get the most out of
10 our dollar. I think I would have to be classed as having
11 a certain amount of business management, because as I have
12 said a good many times, we operate our district at the
13 lowest per ADA cost in Los Angeles County. We also have
14 one of the very lowest override taxes in Los Angeles County.
15 This isn't going to be good for very long in the future,
16 as I have indicated, but our Board doesn't resent controls,
17 but they do want to have some say in what these controls
18 shall be. They are reasonable, they are logical, they
19 are good business men, they are interested in education,
20 and I don't see any reason, as long as it is properly set
21 up, why there shouldn't be an opportunity to have some kind
22 of a say.

23 CHAIRMAN BRITSCHGI: Fine. Thank you very much.

24 Mr. Hegland?

25 ASSEMBLYMAN HEGLAND: No.

26 CHAIRMAN BRITSCHGI: Thank you very much, Mr. Shaver,

1 for your testimony. It is very nice to have you with us.

2 The next witness is Glenn Murdock. This is going
3 to be a little bit of a change here, but it has been done
4 for a reason, so Glenn, we'll get you going here.

5 MR. GLENN E. MURDOCK: (Superintendent, La Mesa-Spring
6 Valley School District, La Mesa.) Thank you very much.
7 I'll give these to Blanche, and she'll know what to do with
8 them.

9 In listening to Mr. Shaver's testimony, I gained more
10 and more the idea that we had a record here which was apt
11 to be played over many times like the youngsters do the
12 juke boxes. Some of the things you are going to hear
13 will not sound too different than what you heard from Mr.
14 Shaver, but I think in this book called "Hidden Persuaders",
15 one of the things they tell you if you hear the same thing
16 over and over again enough times and subtley enough said,
17 after a while we begin to believe it and without perhaps
18 knowing why.

19 Well, if we seem redundant here, it may be for that
20 reason.

21 I appreciate your invitation to make this presenta-
22 tion to your Committee today. I have been a member of the
23 School Building Aid Committee of the California Association
24 of School Administrators for a number of years and have
25 also served on the Subcommittee of that group on Long Range
26 Planning. Through these activities, and because my

1 District has been what is known as a "distressed" School
2 District since the inception of the original Chapter 1575,
3 I have been vitally interested in the State Building Aid
4 Program. Because I see the need for State assistance
5 to many of the districts in the State for a great many
6 years to come, I am particularly interested in a long range
7 solution to State Building Aid problems based on some sort
8 of equalization formula.

9 The La Mesa-Spring Valley School District is a dis-
10 tressed school district, simply because people are moving
11 into it at a much greater rate than our permissible 5%
12 bond margin can build schools to accommodate. From 1946 to
13 1958, while the population in the State of California was
14 increasing by 80%, and the population of San Diego County
15 was increasing 146%, the population in our District increas-
16 ed 319%. This is not startling because the same type of
17 data can be supplied for districts in the periphery in
18 every one of our larger cities. These peripheral dis-
19 tricts are faced with the common problem of having the
20 responsibility of educating large numbers of children of
21 parents who work and earn their livelihood in the nearby
22 urban communities. I think that is one of our major pro-
23 blems in most of the distressed districts, the matter of
24 wealth and the people are not in the same place always.
25 Because of this expanding need for school facilities, it
26 has been necessary for our District to resort to every

1 possible means of housing teachers and their classes while
2 the District devoted its every effort to acquiring sites,
3 building buildings and providing adequate housing for these
4 youngsters. Churches, legion halls and other similar
5 facilities were pressed into service. Classes have been
6 held in church basements where the ventilation and lighting
7 was exceedingly poor.

8 Gradually this situation has changed - thanks to
9 the State Building Aid Program and the willingness of the
10 local people to continue to vote bond issues - until now
11 more than 9,000 youngsters are attending school in class-
12 rooms built for school purposes. The situation is still
13 desperate, however, because each year we are forced to
14 erect temporary partitions in existing facilities for ten,
15 twenty or maybe thirty days pending the completion of
16 other facilities that are under construction where the
17 children are ultimately to be housed. As of this moment,
18 all children are on single session in our District. To
19 achieve this, however, the architect, who planned the
20 building now being completed, had virtually finished his
21 plans before a contract was signed with him or he had re-
22 ceived any money for his services. I might tell you now
23 we have now a site as a building planned, and the archi-
24 tect hasn't been paid, but we don't own the site, but I'm
25 betting on today's baseball game too. We are not running
26 too much of risk, but these things are resorted to in order

1 to keep up with the picture. The completion date for
2 this school building is October 13, but we occupied all
3 the classrooms on September 10 because the occupancy of
4 these classrooms with the cabinets not yet installed, the
5 windows now washed, and the electricity not yet turned on
6 was better than the alternative of double sessions or the
7 added cost of transporting the children to another school
8 where temporary partitions might be erected.

9 I believe you will find that the districts that have
10 worked most with the State agencies in the State Building
11 Aid Program have much praise for this program and the
12 helpful manner in which the persons in the Department of
13 Education, Department of Finance and others have assisted
14 in meeting the problems of the many districts that must
15 rely on them. Also, I am sure you are familiar with a
16 number of problems that have been evident in the program
17 as it now operates. All of these problems need careful
18 study and ultimate solution. Perhaps the greatest and
19 most pressing problem could be considered that of attitude.
20 It seems that the State Building Aid Program from its incep-
21 tion has been considered as a "crash" or emergency program.
22 Yet there is much evidence to indicate that it will be a
23 long and continuing program for many years to come. There-
24 fore, the State Building Aid Program should be looked upon
25 in all probability as a long range permanent part of our
26 educational program based upon the concept of equalized

1 educational opportunities for all youngsters within the
2 State.

3 A second area of difficulty has been the lack of an
4 adequate square footage allowance. This has been par-
5 ticularly acute on the high school level, but it is also
6 evident on the elementary and junior high school levels
7 and careful research has been made on each of these three
8 levels. It has been found in each case that the square
9 footage allowance on the various levels is not sufficient
10 to meet todays' educational requirements.

11 A third serious difficulty lies in the manner by
12 which enrollments are projected on the elementary level.
13 Chapter 19 provides for a three year projection on the
14 elementary level. This projection was changed from a
15 two to a three year basis at the last regular session of
16 the Legislature. The methods, however, that are used
17 in accomplishing this projection, still do not provide for
18 as much as a one year projection in actual practice. It
19 is not possible to purchase sites, plan buildings and con-
20 struct them within this time limitation unless districts
21 resort to devices which do not lend themselves to the most
22 efficient program of providing housing for children.

23 A fourth problem in the State Building Aid Program
24 is cost. In spite of the problems mentioned above,
25 districts in the State Building Aid Program tend to find
26 themselves paying a higher tax rate to provide school

1 housing than non-State aided districts. Some districts
2 that have been in both Chapters 1389 and Chapter 19 have
3 found that the tax rate on both the elementary and high
4 school levels is more than fifty cents per hundred dollars
5 of assessed valuation. I speak of this knowingly because
6 I think it was a year ago the tax rate in our district was
7 62 cents for building purposes, and that in our high school
8 district it was 73 at the same time. Passage of Senate
9 Bill 224 in 1957, which was later corrected by Senate Bill
10 14 in 1958, has now made it possible for districts that
11 have been under both Chapters to maintain an average tax
12 rate of approximately 48¢ on each level, while districts
13 that have been under Chapter 19 only may maintain an aver-
14 age tax rate of approximately 43¢ per hundred dollars of
15 assessed valuation. Non-State aided school districts tend
16 to have tax rates lower than this amount. I just gather-
17 ed together the tax rates of the districts in San Diego
18 County, and at your leisure you may want to look those over,
19 but the tendency is that those of the state aided districts
20 are higher by some margin than those districts that are not on
21 state aid. Therefore, of course, the thing that I am
22 bringing out is the fact that the districts who have the
23 greatest trouble paying for their housing are also having
24 a rough time paying for the teachers and the large number
25 of youngsters with supplies and equipment to keep moving,
26 the same as Mr. Sharp pointed out in the high school a while

1 ago. The San Diego County districts listed on the sheet
2 attached to this document illustrate this point. It should
3 be noticed that the tax rate for National School District
4 is somewhat higher than other non-state aided districts
5 because they are a part of the Sweetwater Union High School
6 District, which is a state-aided district and which, there-
7 fore, makes the total tax rate for the two district levels
8 higher than that shown for other non-state aided school
9 districts.

10 It seems to me that the problems listed above point
11 up more than anything else the need for a long range pro-
12 gram of State School Building Aid based on the principle
13 of equalization, i. e. on the same concept that is used
14 in formulating a program for financing current operation
15 costs on the principle of equalization. It is evident
16 that there is a need for the Legislature to ascertain
17 what constitutes reasonable adequate school facilities
18 and also what constitutes a reasonable burden on local
19 property. This alludes to things commented on by Mr.
20 Shaver awhile ago. I am somewhat concerned about a limit
21 of 125. I know it is a limit, not a requirement. I am
22 a little bit concerned lest it be a requirement or lest it
23 be a maximum. So often limitations become that. And
24 I am concerned in this because -- well, maybe we'll bring
25 that out and I'll comment on it later. These two factors
26 should play an important part in determining the involvement

1 of the State in its building program. Assembly Bill 3903
2 is an effort in the direction of establishing the equali-
3 zation principle for school buildings. It represents much
4 careful planning and good thinking. It will undoubtedly
5 be opposed by some persons whose tax rates will be raised
6 and whose building facilities will be reduced by its pro-
7 visions. Its author, nevertheless, must be commended
8 for his constructive thinking in the area of school finance.
9 School districts that are most pressed with building pro-
10 blems are also those who are most pressed by high taxes for
11 current operating purposes. More and more districts are
12 finding it necessary to vote over-ride taxes to meet the com-
13 petition of teachers' salaries and in supplying the neces-
14 sary tools with which to operate their schools. To cause
15 these same districts to pay a higher price for their school
16 facilities than other districts, increases the unfair bur-
17 den on people who live in these so-called distressed areas.
18 In the light of the number of tax and bond proposals that
19 have failed in recent years over the State, it might be
20 presumed that the tax burden on local property has reached
21 saturation. If these taxes are to be increased further,
22 it would seem evident that a program is necessary to educate
23 the people of California to the values they might receive
24 from such higher taxation.

25 A word of commendation is due this Committee for
26 their efforts to work out a solution to an extremely

1 complex problem. The La Mesa-Spring Valley School
2 District has been in the State Aid Program for the past
3 twelve years. It now seems evident that in another
4 twelve to fifteen years our area will be built up and all
5 schools that might reasonably be needed will have been
6 completed. However, our neighbors to the East: El Cajon,
7 Santee and Poway are just beginning to feel the heavy impact
8 of the flood of population, and there is every reason to
9 believe that they will be facing these growth problems for
10 many years after our problems have subsided. The popula-
11 tion of California is very fluid. Children move from
12 one community to another and from one area of the State to
13 another.

14 I believe you are to be congratulated for your ef-
15 forts to make certain that all of these youngsters receive
16 an equal opportunity for an education regardless of where
17 they may reside.

18 CHAIRMAN BRITSCHGI: Thank you very much. I
19 think you have some questions. Assemblyman Hegland?

20 ASSEMBLYMAN HEGLAND: Again, I want to thank you
21 for your very fine comments.

22 Just one comment on the chart, and that is that there
23 is about, well, not to exceed three years and the first
24 flood of youngsters will be hitting the Junior College
25 level and there will be heavy Junior College construction
26 costs. Now, I think it should be pointed out that the

1 total construction tax rate which is used in this computa-
2 tion does not include the use of building charges, or like
3 the Escondido, the bonds we voted two or three times on
4 Palomar Junior College, and that is an additional expense,
5 and in three or four years, eastern and northern San Diego
6 County will be faced with tremendous costs for Junior
7 College construction. Would you concur with that?

8 MR. MURDOCK: Yes. I think that is correct, Heg.
9 However, I am pointing out, I am thinking, for example,
10 on your chart you will notice San Diego city there has
11 been a tax rate of less than 44¢ for all three levels. Now,
12 I recognize the fact the high school has not yet, even the
13 high school has not yet received the bulk of youngsters.
14 The full impact from the elementary schools. The elemen-
15 taries have been the ones that have had the most serious
16 problems simply because children go there first. I also
17 recognize San Diego may have to increase their bonded in-
18 debtiness and tax rate accordingly to take care of the
19 high school, and later in the Junior College, if they con-
20 tinue their Junior College program, but at the same time,
21 while your district was last year paying a dollar twenty
22 or something of the kind to meet its building program on
23 two levels, San Diego city, and I'm saying that's good for
24 them, its not good for us, while they are paying 44¢, you
25 say, for the same facilities, now, the buildings being
26 built are very similar except they have more square footage.

1 They have to put in more blacktop and put in a new play-
2 ground area. The time is coming when we are going to
3 have to be putting more money into both the high school
4 and the Junior College tax rates for building purposes.

5 ASSEMBLYMAN HEGLAND: I read in the newspapers that
6 San Diego is considering swimming pools at their junior
7 high schools. How long will it be before junior high
8 schools in eastern and northern San Diego will have swimming
9 pools as part of their curriculum?

10 MR. MURDOCK: I think one picks his enemies as well
11 as he does his friends, so I'm going to play that to this
12 basis: I think it is too bad we are not teaching swim-
13 ming in all our junior high schools.

14 ASSEMBLYMAN HEGLAND: That's all, Carl.

15 CHAIRMAN BRITSCHGI: Mr. Anderson?

16 ASSEMBLYMAN ANDERSON: Mr. Murdock, on page 3 you
17 spoke of this insufficiency of the square footage allow-
18 ance. I wonder if you would elaborate on that some?

19 MR. MURDOCK: Yes. Just to this extent: I think,
20 some years back the Department of Education made a study
21 which I think indicated a need on the high school level
22 of approximately 110 feet as an adequate amount of square
23 footage to do the job, and that should be done in a high
24 school, and which represented, I think, the State's think-
25 ing. Now, the amount of square footage that is normally
26 going into many typical non-state aided schools is more,

1 and yet under the State Aid Program, I believe the limita-
2 tion is to 80 square feet, except for the law that Senator
3 Dilworth put through last year which gives an aid to small
4 districts, so you have, then, scattered over a high school
5 district the difference between 80 and 110, someplace in
6 there. There is a drastic need to increase the footage.
7

8 Now, one high school, I think you all know who, Larry
9 Ramm, he has been before the Committee a number of times
10 on this Allocation Committee or Allocation Board, Larry
11 has solved the problem by simply cutting the school class-
12 rooms down to very small size in his high school. Other
13 high schools don't agree with that and he tried to use
14 larger, but have cut our corridors and cut out everything
15 they could cut out, and the problem is one of very great
16 austerity, I believe, and as I say, the high school is
17 worse than other types of districts, in all fairness.

18 Now, you would need to add approximately ten feet
19 per student in both the elementary and junior high school
20 levels to bring those buildings up to what is, I think,
21 normally accepted good practice in non-state aided dis-
22 tricts, and in districts that feel they are pinching the
23 tax dollar, and you know, struggling to make their dollar
24 pay. San Diego, for example, I'll give you one example
25 on that, in San Diego City the boys who do the patrol, you
26 know, with the little guards at the corner to keep the
traffic stopped while youngsters go across the street,

1 they have a room where they put their rain gear and jackets
2 and so forth. In La Mesa and Lemon Grove and El Cajon,
3 they don't. In San Diego, and I think San Diego is a
4 very good district, I'm not saying this for any other reason
5 than to make a point, but when parents come to work with
6 teachers or to counsel with teachers regarding students,
7 there is a conference room set aside where the parents and
8 teachers may go and sit with some degree of privacy and
9 hold conferences. In these other districts they don't.
10 We are not permitted that. What happens in our district,
11 the principal takes a walk while the teacher has a confer-
12 ence, because you usually have a class in your room. You
13 improvise methods that I think are quite inefficient. There
14 are facilities curtailed all the way along the line. I
15 think it is good that we hold it down to a very studied
16 minimum. I think the present program is a little below
17 the minimum, and that is the comment I wanted to make.

18 The same thing holds true with the junior high
19 school here. Ten feet here and ten square feet here,
20 storage space at a drastic minimum under this school aid
21 program. We are improvising all sorts of things, and
22 there isn't storage facilities in the typical school to
23 do an adequate job.

24 ASSEMBLYMAN ANDERSON: Mr. Shaver spoke of controls
25 being acceptable to local boards if they are reasonable
26 and logical. This might be an example of an unreasonable

1 control?

2 MR. MURDOCK: I think in a discussion I had here,
3 I was complimentary to the total program. I am very appre-
4 ciative of it, and I would want that to be very much under-
5 stood.

6 ASSEMBLYMAN ANDERSON: Yes, sir.

7 MR. MURDOCK: I think greater dollar value might
8 even be realized to some extent on a liberalization of the
9 square footage. I think we are just a little too tight
10 all the way through. This is a control, I recognize. If
11 I go to the bank and borrow money to build a house, the
12 bank is apt to know where I build the house and what kind
13 of a house I am going to build, and I think that is his
14 right to know. I think by the same token the State is
15 in the same boat. I think you need certain controls and
16 they do in your current operating money, but going back to
17 that, I think the State of California has a good school
18 program, and I think that the Boards in a great many dis-
19 tricts have brought about a good school district with cer-
20 tain minimum controls. They tell you that there are a
21 certain number of things you have to teach in 17 subjects,
22 isn't it? Or something, in elementary grades? And how
23 long your school day has to be, and et cetera, et cetera.
24 I think there are controls, but I think those controls
25 should be basic controls with the ability for school boards
26 to make the change beyond that.

1 I'm not being vague intentionally. I realize this
2 is a little general, but I think if we want to talk about
3 specifics, then we have to identify them.

4 ASSEMBLYMAN ANDERSON: Well, there is one specific
5 I would like to ask about on page 4 where you speak, in
6 this third difficulty, the time limitation, and you refer
7 to districts resorting to devices which do not lend them-
8 selves to the most efficient program of providing housing
9 for children.

10 MR. MURDOCK: Yes.

11 ASSEMBLYMAN ANDERSON: Would you elaborate on this
12 a little?

13 MR. MURDOCK: Yes. Now, actually, the machinery,
14 the Legislature has taken the steps, I believe, to provide
15 an adequate projection of enrollment. I think three years
16 is adequate, with only kindness intended to the Department
17 of Education, but I believe that they are way behind in
18 their method they are using in projecting enrollment. There
19 is a reason for this. All of you know the state aid
20 program of five or six years ago. You will remember the
21 Legislative Auditor clobbered the daylights out of one or
22 two districts, and the Department of Education, because
23 they were over five percent or something of the kind, and
24 it was some minor thing. There was some embarrassment,
25 let's put it that way. As a result, projection of en-
26 rollment has been based on the elementary level on this

1 procedure, that we take the beginning grades, that is, the
2 youngsters where the birth rate is high, and we compare it
3 with the top grades, the seventh and eighth or ninth grades,
4 where the birth rate has been low, and we take the difference
5 between those two grades, don't you see? Assuming the
6 new grades are going to be at the higher level, that gives
7 us a certain number of youngsters. Then we go out over
8 the school district and we count all the house starts, the
9 starts where they are digging foundations and there is lum-
10 ber there, not where a subdivision is filed or where you
11 know there will be one, but where there is actually lumber
12 on the job. You know that in a great many of these
13 subdivisions, the difference between the foundation and
14 diapers on the line is only about sixty days. Some sub-
15 dividers figure sixty days, so when you are not allowed
16 to count that house until the foundation is started, you
17 are only sixty days away from occupancy, or let's say,
18 90 days. Therefore, we go out over the district and
19 we count all the houses, the "house count", we call it.
20 We add the number of houses, multiply by a factor, .8,
21 meaning the number of children per house that statistics
22 have shown. We add this to this difference in grade
23 level, and that is our three year projection.

24 Actually, in no case has it ever been a one year
25 projection that I know of. I remember Carl Frisen in
26 the Department of Finance lowered what he thought the

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1 prediction was two months under what he said we said it
2 was. We said, "No; our records show it is even less
3 than that", so we have the structure but did not have the
4 method of making this projections. I think it is cost-
5 ing us money because districts are trying desperately to
6 stay on single sessions, and they do this themselves to
7 try to stay on single sessions, but they do not go back
8 and make changes that perhaps are dictated if more time
9 were available, and it is simply because of the time pres-
10 sure, and the time pressure is primary on the method used
11 in projecting enrollment. It is my feeling frankly that
12 if the best estimate in a district for enrollment should be
13 five percent under or ten percent over or within a margin,
14 you are only talking about another six months until it is
15 there. I mean, you are not talking about a great deal
16 of time, and I think there is more money probably being
17 spent in bad planning because of the rush of that time
18 pressure than there would be if a little more laxity were
19 available.

20 CHAIRMAN BRITSCHGI: Thank you, Mr. Anderson.

21 Glenn, I might ask you the same question along the
22 same line of Mr. Anderson's thinking; Would you have
23 any comment on, again, the controls possibly at maybe the
24 State Architect's level where we are checking plans for the
25 Field Act, and that is about as far as they can go, if they
26 should find something that probably wouldn't be to the best

1 interest of the school construction program, to make com-
2 ments or suggested changes, or a "stop" there, if you might
3 call it that, on certain types of construction. For an
4 example, again in my area, we had a school that was being
5 constructed and the hallways were just out of this world.
6 They were almost as large as the classroom, and naturally
7 it added to the cost of the building over all these so-
8 called "fresh air corridors" that they had. The school
9 district has now become an impoverished district and cannot
10 get the proper mcnies they need to house the students at
11 this high school. Lo and behold, now they are partition-
12 ing off the hallways, they are so wide, they are making
13 classrooms out of them. Someone along the line should
14 have stopped that.

15 Now, our Superintendent of Schools did comment on
16 it, asked them to please check the plans again and come
17 back, and as a matter of fact, he refused three times on
18 this thing to approve it, and finally he says, "Well, if
19 that is what your School Board wants, I have gone as far
20 as I possibly can." Now, somewhere along the line some-
21 one should be able to put a stop on that type of a thing.
22 I would like to hear your comments, Mr. Murdock, on that.

23 MR. MURDOCK: I think we need the ability to experi-
24 ment in school construction, and I think any district that
25 has been building over a period of time finds considerable
26 difference in the buildings they are building in 1958, com-

1 pared to those in 1948, although there have been no drastic
2 changes in any one particular year. I think we need local
3 initiative, local energy, local feeling and thinking in try-
4 ing to build a better mousetrap. I mean, that is basic.

5 I think that districts who have any possibility of
6 getting into the State Aid Program should be very, very
7 careful about what they do with their construction money,
8 and in particular, their square footage prior to getting
9 into the program, or they're going to find themselves in
10 very desperate circumstances, and I think the School Boards
11 I'm not going to use the State Legislature, but let's say
12 the Senate back in Washington; if a Senator votes wrong
13 too many times, there's apt to be a new Senator. If a
14 Superintendent makes too many bad choices, there's apt to
15 be a new Superintendent, and the same thing goes for school
16 boards, I think, in this case.

17 It seems to me that the balance of power there is
18 with the people, and in a number of instances that I could
19 point out, the people have exercised that balance of power
20 where districts have not been prudent in the things they
21 have built, particularly when they know that we have "X"
22 number of dollars to build school facilities, and these
23 have been built for fish ponds or drinking fountains or
24 marble extrania rather than for things such as library
25 bookshelves and the things that might be needed.

26 I feel that in our philosophy of government, we have

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1 to accept a good deal of control on the part of the people,
2 and their wishes, and I think they have a way of exercising
3 it, although it is slow, I know that. I know that you
4 will put up maybe a couple of high schools and somebody
5 is going to say "Let's take a look at this." I feel
6 there is something pretty important about leaving a large
7 measure of control back in the local district. I think
8 one of our big problems there may be with small districts
9 that do not have staff to keep up on what is being done in
10 good school planning and good school construction, I
11 think we get in the small district in in the outlying areas
12 where the Board or other people whose chief interest is not
13 school buildings have too large a voice in the building of
14 those buildings. Now, I know that the State Department
15 of Education is advisory. I know the County Auditor
16 is advisory, because the County staff, I know in a number
17 of Counties, gets in quite a hassle when they try to tell
18 local school boards what they can do. Right away, you
19 know, blood pressure goes up. We have wrestled with
20 this problem and it seems to me if districts were given
21 a dollar value, as we are doing, for example, Mr. Jacqueth,
22 in the furniture and equipment business or in other similar
23 ways, where dollar value dollar is assigned to accomplish
24 certain things, and then hold the local Board responsible
25 for spending that dollar value well, and this is it, no
26 more. That way you would impose a greater degree of local

1 control on that particular school district. As it is
2 now, if we can get an extra corridor, if you can get this,
3 you might try to do it. If you had "X" number of dollars
4 which were known to be in a given firm amount and there
5 were no more, I think you would try hard to spend those
6 dollars well if you want to stay in office.

7 CHAIRMAN BRITSCHGI: Thank you very much.

8 ASSEMBLYMAN HEGLAND: Carl, could I ask one
9 more? I'm sorry. Glenn, if I understand this correctly,
10 then, this is only my point of view anyway, you feel that
11 perhaps the most effective type of control would not be
12 exerted on the square footage basis, but on a dollar per
13 housed youngster basis, and that this type of control would
14 not only increase local control, but would actually give
15 more dollar value to most school districts; is this your
16 view?

17 MR. MURDOCK: I believe you would get greater
18 dollar value. I think on the same basis it would be
19 necessary for you to do something as we are doing now. You
20 know your cost index economics, you know how to determine
21 the cost and how many children, et cetera, and you have the
22 inflation setting in and you move in with the variations
23 in price, I think that has to all get into the picture.

24 ASSEMBLYMAN HEGLAND: Oh, yes.

25 MR. MURDOCK: But these, once the formula is
26 arrived at on a dollarwise basis which is a reasonable

1 amount to build a building or a school in a certain circum-
2 stance, with irregularities taken into consideration, dol-
3 lar value, so many dollars, if you given \$50 to go out on
4 the town with, you might spend it better than if you were
5 given a check without any amount on it.

6 ASSEMBLYMAN HEGLAND: Thank you.

7 CHAIRMAN BRITSCHGI: Thank you very much.

8 I notices that Mrs. Gaede is here from the Cali-
9 fornia School Boards Association. Would you have any
10 comments? I know you have to leave, and we would like
11 the record to show at this point that you are here.

12 MRS. GAEDE: Thank you, Mr. Britschgi. We
13 haven't a statement this morning.

14 CHAIRMAN BRITSCHGI: Fine. Thank you.

15 The next two witnesses, I think, they are going
16 to team up on us here, Francis Darby and Dr. Reginald
17 Benton.

18 MISS HANSEN: Its the other way around.

19 MR. MURDOCK: I was the first member of the
20 team. He's the backfield.

21 CHAIRMAN BRITSCHGI: Dr. Benton, then?

22 MISS HANSEN: Darby.

23 CHAIRMAN BRITSCHGI: We're twisted all the way
24 around here.

25 Superintendent of County Schools, San Diego.

26 MR. FRANCIS C. DARBY: (Assistant Superintendent,

1 San Diego County Schools.) I am Assistant Superintendent,
2 San Diego County Schools, and was interested therefore, in
3 the questions that you had which I will undoubtedly get at
4 the end of the material that I have.

5 CHAIRMAN BRITSCHGI: You can comment on it
6 right now if you wish.

7 MR. DARBY: I am here not as the Assistant
8 Superintendent, really, but as a member of this CASA
9 Committee on School Building Aid, and I'm Chairman of
10 the Long-range Sub-Committee that we have in that particu-
11 lar group.

12 I would say a word about the CASA Committee
13 that it does represent all kinds of districts and counties
14 and consultants from the Department of Education and Finance,
15 and from some colleges and from some universities, and the
16 group has been working at this problem over a long period
17 of time. I think that the talent that has been assembled
18 and several of the people who have been serving on this
19 Committee over a period of years are here. They always
20 show up wherever there is any kind of a discussion along
21 these lines. Some of the things that this Committee
22 has recognized, and I'll say the same thing as Glenn Mur-
23 dock did, we will have here some of the same records, and
24 I'll try to eliminate as much of the duplication as possible
25 since I'm in the same spot here, but we recognize, Number
26 1, that it is a permanent problem, and that we have had

1 temporary solutions, in spite of the fact that we have made
2 some real progress to date. We haven't really taken the
3 step which moves it from the temporary into the permanent.
4 I am not speaking as a member of the Chamber of Commerce
5 for San Diego either, we are talking about future growth,
6 we have had some recent predictions on population beamed
7 at the year 1970, and we took those population estimates
8 and broke them down entirely in terms of school children
9 and then in terms of buildings, and the buildings quite
10 obviously at that point, we are going to have to build
11 as many school buildings in San Diego County by 1970 as
12 we have in the entire County at the present moment. Look
13 at all the schools that we have and we are going to have
14 to build that much again before 1970, so it isn't something
15 that we are coming to an end on very soon.

16 Now, our subcommittee has come up with some
17 generalizations and thinking which we are proposing, which
18 are the same things you people are proposing.

19 Number 1, that it be a permanent program, and
20 Number 2, that we have adequately housed pupils.

21 Now, Mr. Murdock mentioned this matter of square
22 footage, and when I say, "adequately housed", I think that
23 means they should get into the buildings, not have to go
24 through a double session period of time because our pro-
25 jections are not adequate, but the building should be
26 financed when it is needed so that the children go in at

1 that time, and that there be adequate square footage.

2 Using the City of San Diego as an example, as a
3 good example, their recent Crawford High School that was
4 opened was planned and they do their things on what we
5 think is a minimum, and I think they are very careful. They
6 had 112 square feet per pupil, and it is a large high school,
7 1800 students, and it represents what I would call medium
8 practices. Now, it is not a flossy school in any sense
9 of the word. It is a good practical school. The same
10 thing is true of the elementary. They used more than
11 our 55 square feet. I attended a National meeting of
12 the School House Construction Meeting in Seattle a week
13 ago and we visited some schools in that area, and that
14 area has a state aided program. It is a little differ-
15 ent than ours; for each district they determine what
16 percentage the State is going to pay for a particular
17 building program. In one district it is 11 percent; in
18 another one it is 70 percent. It is done on the basis
19 of their ability to pay and so on, but the thing that im-
20 pressed me most was the fact that they were using about
21 130 square feet per pupil in the high schools up there.
22 Now, there is some difference because of climatic con-
23 ditions and you need your physical education activities under
24 cover up there, because it didn't get green in that country
25 by having the sun shine all the time.

26 Well, the third item we would propose, beyond the

1 permanent program and adequate housing to pupils is equitable
2 financing.

3 The fourth one is efficient administration of
4 the thing.

5 Now, we get agreement on the first two items,
6 the permanent program and adequate housing, but on equitable
7 financing and method of administration, why then we get a
8 little debate, and that's good. Now, on AB 3903 these
9 presented one possible solution. The financing is pro-
10 bable on a sound basis, we feel. We would again get into
11 the detail and begin to ask a question as to whether or not
12 the percentages are right. We are talking about 30 percent
13 coming from the State and a dollar twenty tax over here,
14 and there is no colusion involved because we didn't discuss
15 it beforehand, but it would seem to me from Shaver's testi-
16 mony he would feel that maybe the dollar twenty should be
17 lower and maybe the thirty percent should be higher. I
18 am not at a point to say that it ought to be forty percent
19 or fifty percent, but when we talk about equalization, and
20 that is what this is, it is equalization, you are talking
21 about current operating. The State furnishes approximate-
22 ly fifty percent. Some people, including myself, think
23 that it ought to be a little bit higher than that. Maybe
24 it ought to be around fifty-five percent. I'm not sure
25 this is any reason why the support of the building programs
26 should be any different in its ratio than the support of

1 current operating program. Now, I don't know just where
2 we go on that, but anyway, that is the one item we would
3 question in there.

4 The administrative details, I always feel can be
5 worked out. We have had problems with the present pro-
6 gram, and lots of administrative details should be changed.
7 I think they have been improved as we go along. You have
8 to lay the thing out and you work on the suggestion, and
9 that doesn't worry any of us too much. I think that the
10 main problem that you are going to run into with AB 3903
11 is the question which has been raised before, are the
12 people willing to go on a "pay as you go" plan, even when
13 you can show them there are going to be tremendous savings?

14 That is the one question that keeps hanging up
15 in my mind. Can it be sold, and particularly, can it be
16 sold politically? Because some people would contribute
17 more than they receive, which is true of all equalization,
18 and the question is whether or not the people are willing
19 to step the thing up on a "pay as you go" basis. I think
20 there is no question but what it would save a tremendous
21 amount of money. It would be a good thing. You look
22 at the average family and you find, even, I think in terms
23 when they could pay for something, they still buy it on
24 the installment plan and maybe that has become a part of
25 our thinking.

26 Well, the CASA Subcommittee has taken the stand

1 to support the principles of 3903, and as a Committee we
2 have before and do again praise Assemblyman Hegland for
3 the clear and creative thinking that he has done on the
4 problem, where most people have simply said, "Look, this
5 is a tremendous problem. Its hopeless. There are too
6 many kids coming. There's nothing we can do except struggle
7 along as we are and have a half a program." I think fac-
8 ing up to a problem like this and give it some creative
9 thinking was a real contribution. Our committee is going
10 to continue to study on all feasible means to improve the
11 program we have, which is a stop-gap, until there is a
12 chance to move into something that is really more permanent.

13 I would like to thank the members of the Sub-
14 committee for this opportunity to appear before you and
15 also to thank you for the serious study that you are giv-
16 ing to this very important problem.

17 CHAIRMAN BRITSCHGI: All right, sir. Thank
18 you. Can I interrupt just a moment to give you a little
19 public service? We are still in the second inning of
20 the first half of it. The Yankees are still up. Score
21 is two to one. The Braves already made two errors. We
22 have the Yankees ahead two to one.

23 MR. DARBY: Sad news.

24 ASSEMBLYMAN HEGLAND: Carl, we didn't ask
25 Glenn which team he bet on today.

26 MR. MURDOCK: That's the best report that has

1 been made this morning.

2 CHAIRMAN BRITSCHGI: Now you know.

3 ASSEMBLYMAN HEGLAND: I have no questions from
4 Mr. Darby, except to hope that the Braves recoup.

5 CHAIRMAN BRITSCHGI: Assemblyman Anderson?

6 ASSEMBLYMAN ANDERSON: Well, I'm curious about
7 your comments on the public acceptance of this theory of
8 equalization. Actually, our general obligation bond
9 program since 1947 has been subscribed at every time, and
10 that is also based on equalization. The people of the
11 City of Los Angeles have adopted this right along, with
12 all the rest of the people in California. Yes, they re-
13 ceive themselves nothing by it, and yet you are worrying
14 about their willingness to further go along on this theory?

15 MR. DARBY: No. I think that they accept
16 equalization. I'm not sure that they accept "pay as you
17 go". In other words, putting on the "pay as you go" plan
18 involves equalization along with it.

19 ASSEMBLYMAN ANDERSON: That's correct.

1 ASSEMBLYMAN ANDERSON: Our conditioning, then,
2 as you speak of installment buying, has reached that point
3 that we are afraid of seeing it actually in print?

4 MR. DARBY: Well, I don't know.

5 ASSEMBLYMAN ANDERSON: Is that what you are
6 worried about?

7 MR. DARBY: I am worried a little about both.

8 CHAIRMAN BRITSCHGI: Mr. Darby, of course, the
9 obvious question I would ask you, and you have already
10 answered it in one of our visits to the San Diego area on
11 the committee hearing that we had down there, and it was
12 pointed out by some members of your administration that
13 you are just completing schools or had built schools for
14 seven and a half dollars a foot at that particular time,
15 and we were very happy, and I can remember Assemblyman
16 Geddes going out on a special mission to see where these
17 schools were, and he came back with the report that they
18 were doing a tremendous job in the San Diego area, so I
19 know that you are not going to have any trouble with frills
20 and what not down there if you are constructing schools at
21 seven and a half dollars a foot, and I refuse to ask you
22 that question, so we'll let you off the hook on this one,
23 unless you want to comment on it. You go right ahead.

24 MR. DARBY: I would like to comment. I don't
25 believe that we have any extra frills in the schools down
26 there. and basically they are good, but I do think that

1 sometimes that we go a little too far in the other direc-
2 tion to the point that we build schools that may not be
3 economic schools in the long run, and the pressures, in
4 the first place, some of these prices, they are unusual
5 prices when they get down that low, and second, a lot of
6 it depends on the financial climate and the bidding climate.
7 In other words, you may get the same building for \$10.00
8 one time and eight dollars and a half another time, depend-
9 ing on local conditions, but there are times that because
10 we take averages and then we take that average and use it
11 as a ceiling, everybody tries to get under the average,
12 and occasionally, sometimes, frequently because of public
13 pressures, both administration and the architect will feel
14 that they have to be heroes and they have got to do it
15 cheaper than anybody else has done and they will skin the
16 cat down to the point where it isn't a real good building,
17 and then they publicize the amount of the bids. Well,
18 if we take the average, and if they all do that, and they
19 do get it down here, somebody has to do it cheaper than
20 that to get under it, and we are digging a hole for our-
21 selves when we do that. I think our buildings should
22 be good, economical buildings, and they should be built
23 so that they have a long time economy.

24 CHAIRMAN BRITSCHGI: How are you going to deter-
25 mine the economic part of this school construction? There
26 is one thing that does bother me, and I was in a school

1 district in my area, again, and there was a question of
2 a school that was built on their own bond money, so they
3 could build the size of the classrooms to what they wanted
4 to do with it, and then they had also received some State
5 aid for another portion of that particular school and they
6 had the seventh and eighth grade, as I recall it, in these
7 classrooms, and as Mr. Murdock has said, that they could
8 be a little bit larger, and they apparently were right to
9 the limit, and I think there were 35 desks in that class-
10 room and obviously it was very crowded. There just wasn't
11 any room for anything. So we walked over into this other
12 building that was put up by their own means from a bond
13 issue they had passed, and they had all little kids in this
14 classroom, and you could put maybe three or four other class-
15 rooms in the same building, with the same room, and it look-
16 ed like there was an obvious waste of space, as far as I was
17 concerned, and I was very curious as to why they didn't
18 put the seventh and eighth grades in these larger class-
19 rooms and put the little kids in the other room. I was
20 just curious as to your thinking. Do we have that in most
21 of these districts, and how are we going to accomplish this
22 thing of getting the people who should know a little bit
23 better, if you want to use that expression, as to how to
24 place these people around? I appreciate the fact that
25 we have wonderful educators and all, but are they the
26 people who should be working out this classroom space and

1 all? Do we have a lack of ability along that line in
2 these school districts, would you say? I don't want you
3 to talk about your colleagues to that extent, but is there
4 some area there where we could improve upon it in some way?
5 That's what we are trying to find out in all these hearings.

6 MR. DARBY: I think we can always make improve-
7 ments, and I think year by year we have. The Superinten-
8 dent of any kind of a district, even if it is a small one,
9 has an awful lot of different duties that he has to work
10 on. I think when you get a large district, you get some
11 specialization within the staff to the point that someone
12 on the staff, that is, whether it is the Superintendent or
13 his business manager or someone of the business managers,
14 or associates that is competent to work in this area, and
15 in some of our very small districts, frankly, they don't
16 have the personnel, don't have someone who is specialized.
17 They have the opportunity to lean on the County or on the
18 State for advice in the process, and most of them do, and
19 again I can only speak of our own County, I think most of
20 them do a pretty good job. Once in awhile someone will
21 get a particular idea that they want to go off on some sort
22 of a tangent, and I have debated with myself a couple of
23 times where a Board in a small district wants to do some-
24 thing, and its their own money and they are not in the
25 State program, and you talk to them and you advise with
26 them, and you tell them that it probably wouldn't work out

1 very well, and they still want to do it. We end up in
2 our office by then writing a letter before we approve and
3 indicate all the reasons that we think they shouldn't do
4 it, and what we think the consequences are, and if they
5 still want to do it, they write a letter and say "We thank
6 you for your opinion. We appreciate it. We are still
7 going to build it the way we want."

8 CHAIRMAN BRITSCHGI: That's the point I've
9 been driving at here all morning.

10 MR. DARBY: If they are in the State Program,
11 they wouldn't get that opportunity. I think with Finance
12 and the State and the County, we simply sit down with them
13 and say "Look, in the State Program you're not going to be
14 able to do that", and actually, we have never had to do it,
15 because people recognize the limits and stay within it. It
16 is only once in a while in a small district where they have
17 their own bond funds, and it is their money, they can spend
18 it the way they want to.

19 CHAIRMAN BRITSCHGI: Any other questions?
20 (There was no response.)

21 CHAIRMAN BRITSCHGI: Fine. Thank you very
22 much. I appreciate having you with us.

23 MR. DARBY: Thank you very much.

24 CHAIRMAN BRITSCHGI: Now, Francis C. Darby --

25 MISS HANSEN: That's the one we just had.

26 CHAIRMAN BRITSCHGI: I'm going to get confused

1 here.

2 Now we are down to Dr. Benton.

3 MR. REGINALD BENTON: (Superintendent, Norwalk-
4 La Mirada City Schools District.) I'll tell you, I want
5 to talk more than seven minutes, and I hate to go on now.

6 CHAIRMAN BRITSCHGI: Fine. Let's get some-
7 one who has just a few moments, and we'll get you first
8 after lunch.

9 MR. BENTON: I would rather do that if you
10 don't mind.

11 CHAIRMAN BRITSCHGI: Fine. Let's go on
12 down the line here. How about Dr. Mc Ginnis. Are you
13 going to take a little while?

14 MR. MC GINNIS: Well, I'll stay after lunch if
15 you wish me to.

16 CHAIRMAN BRITSCHGI: Let's get started on it,
17 and if we get into questions, we'll go after lunch again.

18 MR. JOHN F. MC GINNIS: (Director of Education-
19 al Housing, Los Angeles County.) At this time I would
20 like to introduce one of our Associate Superintendents,
21 our Budget Director for the three Los Angeles City School
22 Districts, Mr. Jack Talbert, who is here if you have any
23 questions of him.

24 CHAIRMAN BRITSCHGI: Let me introduce you proper-
25 ly, if I may, Doctor. You are from the Los Angeles Board
26 of Education?

1 MR. MC GINNIS: Yes. I am Director of Educa-
2 tional Housing, and I work right under Mr. Virgil Volla.
3 He was unable to be here today so I am substituting for
4 him.

5 CHAIRMAN BRITSCHGI: As long as you're not Mr.
6 Darby, we'll proceed.

7 ASSEMBLYMAN HEGLAND: Would you spell your name,
8 sir?

9 MR. MC GINNIS: M-C-G-I-N-N-I-S.

10 ASSEMBLYMAN HEGLAND: Your first name?

11 MR. MC GINNIS: John F.

12 We gathered together this data here. As you
13 know, Los Angeles City School District is not on the State
14 aided program, and therefore, we are not quite as well ac-
15 quainted with it as other Superintendents, and so we gather-
16 ed this data which I think is what you were sort of looking
17 for.

18 Since the war, Los Angeles City School Districts,
19 and there are three, the elementary, high school and J. C.,
20 successfully passed bond issues of almost half a billion,
21 and the philosophy of the Board of Education, that is, in
22 1946, 75,000,000; 1952, 130,000,000, that is the year we
23 lost the Junior College, and this is elementary and high
24 school only. 1955, 133,000,000, and last June 3rd,
25 158,500,000. It has been the philosophy of the Board
26 of Education for a good many years that we should use the

1 bonding principle for the construction of new schools. It
2 has often been said in Board meetings that their philosophy
3 is to spread the payment of the construction of school
4 buildings over several sets of taxpayers rather than on
5 one set, and so in the main, bonds have run ordinarily
6 either twenty or twenty-five years.

7 Last year, 1957-58 the Board of Education pro-
8 vided over two million dollars of current funds for ad-
9 vanced land purchase and preparation of plans in order to
10 speed up construction when the 1958 bonds became available,
11 and this worked very well, because we did get preliminary
12 plans and working drawings completed and when the bonds
13 were printed and sold, the money became available, those
14 schools are now under construction and the election day
15 was only last June.

16 The present planning and construction schedule
17 to utilize the 1958 bond money of 158,500,000 is a planned
18 schedule of two years, two years encumbrance, and already
19 our branch is working on the 1960 bond issue.

20 Now, we are running into this dilemma of bonding
21 capacities. In the high school district, of the 158,000,000,
22 approximately 60,000,000 was the high school district, and
23 that used up, on that particular day, all of the bonding
24 capacity. If you were to check with Mr. Crothier today,
25 or let's say, July 1, there was \$56,000 bonding capacity.

26 Now, in the elementary we have 86,000,000 bonding

1 capacity yet. The Junior College District, 222,000,000,
2 and we are not unified, and so we have these three differ-
3 ent bonding capacities.

4 Now, the 1957-'58 interest and redemption pay-
5 ments are before you, and for the audience, in '57-'58,
6 the last school year, in the elementary district, almost
7 \$6,000,000 was paid on principal redemption, and \$3,000,000
8 on interest, so a total of \$9,000,000 in the elementary
9 district on principal redemption and interest.

10 In the high school district, bond redemption,
11 \$7,000,000 too, with interest totalling three million eight,
12 for a total of almost -- a little over \$11,000,000 on bond
13 redemption and interest.

14 The Junior College District redemption, \$734,000.
15 We have very few bonds there. \$734,000, and \$608,000 in
16 interest, for a total of \$1,342,000 redemption and interest,
17 coming up with a total for the three districts for one
18 school year of \$13,883,000 bond redemption plus seven and
19 a half million dollars for interest, for a total of over
20 \$21,000,000 one year for redemption and interest.

21 Now, I think our capital outlay expenditure
22 schedule is rather interesting, in that we have been spend-
23 ing about a million dollars a week in '56-'57. Of course,
24 this includes land and equipment and buildings, 52,000,000.
25 1957-'58, over 67,000,000, one year, and we estimate that
26 this school year, with this advanced planning, you see,

1 '58-'59 school year, approximately seventy-nine to eighty
2 million, which points up that it is big business, and as
3 you have already pointed up, we still have half day sessions
4 and we haven't caught up yet, so at this rate of capital
5 outlay expenditure, we have no choice but to use bond funds
6 without going into an exorbitant annual tax rate increase.
7

8 We have talked about that. In our own districts
9 if we said, "Let's go on 'pay as you go'", it would really
10 make a very large tax rate. For your information at this
11 time we are within one cent of the tax ceiling in the ele-
12 mentary school district. As you know, the bond redemp-
13 tion is on top of that, but in the elementary school dis-
14 trict we are within one cent. In the high school we
15 have a leeway of 30 cents, and junior college, 15 cents.
16

17 Our particular dilemma, though, is the fact that
18 we have reached our bonding capacity in the high school
19 district and we have already had several large meetings
20 with the State Department of Education, State Finance
21 people, down here in Los Angeles, concerning the possibil-
22 ity of the Los Angeles High School District applying for
23 State Aid. However, we made the report to the Board,
24 and it was the decision of the Board that we have this one
25 more bond issue of 1958 and possibly one more, because as
26 everybody knows, when we have a bond issue for State Aid,
 you must go over somewhat in order to be eligible, and in
 speaking for the Superintendent, we are thinking of another

1 bond issue in 1960. However, it has not been approved
2 by the Superintendent and the Board.

3 So I think, Mr. Chairman, on our particular
4 financial status for the three Los Angeles School Districts,
5 this is our situation at this time, and I would like to
6 ask one question myself, on this dollar twenty tax that
7 you are speaking of, Mr. Hegland. Does that also cover
8 the Junior College area?

9 ASSEMBLYMAN HEGLAND: Yes. All three levels.

10 MR. MC GINNIS: Three through fourteen?

11 ASSEMBLYMAN HEGLAND: Three through fourteen.

12 Yes. It was not to exceed a dollar twenty.

13 MR. MC GINNIS: Now, if you have any questions?

14 ASSEMBLYMAN HEGLAND: I know you have been
15 spending your own money and I know the problem of trying
16 to get increased tax rates and all that, but you must feel
17 a bit sorry in that of your '58-'59 estimated capital
18 outlay expenditure, instead of \$89,000,000, apparently
19 about 35 percent of that, according to the figures up
20 above, will be going not for classes, but just to meet
21 bonding charges. I mean, you would prefer other things
22 being possible if you did have a substantial amount of
23 money in the bank and if you were not forced to go on the
24 installment plan, you would no doubt go "pay as you go"?

25 MR. MC GINNIS: I think we all would. I think
26 we would in our own home, our own life, we would go along

1 with that plan. I think it is interesting in our Junior
2 College District with a favorable tax rate there, we in
3 Los Angeles City could go "pay as you go" on the Junior
4 College level, such as El Camino Junior College District
5 has done, but it has been the particular philosophy of
6 the Board to pass bond issues, even in a district where
7 we have a favorable tax rate, and of course, we have a
8 huge bonding capacity.

9 What I am bringing to this Committee, the back-
10 ground of what I have known since World War II is that
11 time and time again when I have been to Board meetings,
12 and I believe Mr. Crothier too, this idea of "pay as you
13 go", comes up. It has been the thinking of the Board,
14 the Board members have said that they should continue with
15 the bonding system, and I think the one main point is the
16 fact that, and I'm not saying its good, but the fact you
17 spread it over twenty sets of taxpayers instead of this one.
18 Actually, the kindergarten children that are in the rooms
19 today will be paying for this 158,000,000.

20 ASSEMBLYMAN HEGLAND: I know. Now, let me
21 ask this: Not to you as an official representative,
22 but to you as an individual man, you have done a lot of
23 thinking and have a lot of background; if the contri-
24 bution of the general fund, the sales tax could be lifted
25 from, say, thirty percent, to, say, forty or fifty percent;
26 suppose the tax rate could go -- I don't know what the

1 Legislative Analyst could find, but let's say it went to
2 90 cents. Then do you think that this would be acceptable
3 to the groups that you represent and the people of Los
4 Angeles?

5 MR. MC GINNIS: Well, that is a pretty rough
6 one. Like Covina here, we in Los Angeles City, we have
7 not a revolution, but quite a bit of talk about the high
8 tax rate and it seems that with my background that most
9 any group we talk about, they certainly do revolt against
10 this higher tax rate. Now, I didn't bring out that as
11 of last year the redemption tax rate for the three school
12 districts is about fifty cents. To be more specific,
13 in 1957-'58 the bond redemption for the elementary dis-
14 trict was 18.6 cents. High school district, 28.2 cents.
15 J. C. district, 1.7 cents, or almost fifty cents. So
16 here in quick arithmetic, it would be the difference be-
17 tween fifty cents and the dollar twenty. However, I
18 know you have the 30 percent in here, so it wouldn't a
19 difference of 70 cents, let's say. Just what it would
20 be -- now, maybe a dollar, or rather, 50 cents more.

21 ASSEMBLYMAN HEGLAND: Well, as long as we
22 keep up with the present plans, though, postponing payment,
23 would it be substantially true to say that we are increas-
24 ing the tax rate which will be empowered at the time the
25 kindergarten youngsters become taxpayers automatically by
26 fifty cents in that day by our using of the bond method?

1 take care of the old classrooms that are being retired
2 from service, then at that point, might it not be consider-
3 ed that classroom construction is an operating expense
4 rather than a capital outlay expense?

5 MR. MC GINNIS: Oh, I think that is a good
6 assumption, sure. I might add that in our budget today,
7 that Mr. Crothier puts together, that the capital outlay
8 is very, very small, as of today. Now, your point is
9 that when we get enough buildings built, then we won't
10 need so many new buildings nor so much new equipment, that
11 it would come down then within that budget? Yes. But
12 we are in this growing period now where we know we are go-
13 ing to need more high schools. I wouldn't say it would
14 be quite as strong as San Diego here, that we are going to
15 build almost double, but in our projections, which is
16 another long story, we do have a lot of classrooms to
17 build.

18 ASSEMBLYMAN HEGLAND: Thank you.

19 CHAIRMAN BRITSCHGI: Mr. Anderson?

20 ASSEMBLYMAN ANDERSON: I have heard, Mr.
21 Mc Ginnis, that you are conducting a survey to see if Los
22 Angeles City School District will qualify for government
23 aid under this Federal Impact or Aid Program; is that
24 correct?

25 MR. MC GINNIS: That's right. We did that
26 about a year ago.

1 ASSEMBLYMAN ANDERSON: Has this survey been
2 completed so you know yet?

15 ASSEMBLYMAN ANDERSON: Did the results of the
16 survey show that L. A. city would qualify?

1 present a plan of every school building, floor plan and so
2 forth, we developed a means there that would satisfy the
3 State, and that was the principal thing of our meeting,
4 was how could we meet these ground rules in order to even
5 apply, because it will be a big job, when a district with
6 maybe two high schools has an application, you think of us
7 with 55 juniors and 45 seniors, and so shall we say, we
8 had a long preliminary meeting to begin with.

9 ASSEMBLYMAN ANDERSON: That's all I have.

10 CHAIRMAN BRITSCHGI: Doctor, just one short
11 question: You are connected with the School Board. What
12 do you think would be the answer to this control problem
13 that I am speaking of this morning? Do you have the
14 problem in your area or how do you handle it?

15 MR. MC GINNIS: This is your \$64,000 question?

16 CHAIRMAN BRITSCHGI: Yes.

17 MR. MC GINNIS: Well, number one, in my branch,
18 we have quite a large staff compared to other school dis-
19 tricts. About nine certificated supervisors, three in
20 the elementary, one junior and one senior and one junior
21 college, for instances, so we do have a lot of help there.
22 We also have five licensed full time architects, so we have
23 a large staff, but going along with your question, I feel
24 that we should at all times look for new research and en-
25 list any help that we can receive. I certainly have at
26 all times admired Mr. Burch and Mr. Gibson and all the

1 other people from the State Department of Education and any
2 help they could give us, and in a small school district,
3 that might be somewhat difficult for those people to, let's
4 say, take orders from a higher headquarters. Now, in
5 our own district, we have developed a plan on the type of,
6 let's say, participation that Mr. Darby brought out, the
7 participation of the staff, teachers, supervisors, princi-
8 pals, assistant superintendents, in developing, and I know
9 you are interested in this 800 pupil high school, in devel-
10 oping what a senior high school should be. Of course,
11 you start with the curriculum first and you build for that
12 curriculum. With many minds working on this particular
13 theme of things, we have since World War II, come up with
14 what we call adequate planning facilities for each of these
15 things. Now, for instance, on homemaking facilities,
16 we built quite a few of them. Each time we authorize
17 a new architect to do a new high school, we don't sit down
18 and haggle whether the room should be 44 feet long or 55.
19 We are pretty well agreed as to what it should be. Now,
20 we sometimes have the advantage or disadvantage of maybe
21 having the principal assign or not assign, but I think the
22 point is that we in our own little district, I think, are
23 pointing up what you want to find out, that our staff in
24 our own district regulates a certain amount of control with,
25 of course, the approval of our Superintendent. Now, for,
26 say, Los Angeles School District, to listen to people from

1 Sacramento, I think we would be glad to listen to them and
2 work with them. We have done it before. They recom-
3 mend many things -- not many things, but some things that
4 we can't afford and some things we can afford. I don't
5 know if I have answered your question or not, but I think
6 this school building business certainly should not be
7 rigid. I'm not one for printing a book of standards
8 and saying that "This is it, we'll never change it", be-
9 cause this is a going, flexible situation. It is not
10 that every high school has to be different, but you cer-
11 tainly should keep up with the times and with the techni-
12 ques of the curriculum to which you are obligated.

13 CHAIRMAN BRITSCHGI: I think what we are try-
14 ing to drive at, Doctor, is this: Is whether we are
15 getting enough help on the higher echelon that would do
16 the job for some of these people that might be carried
17 away with their little school projects, you might say,
18 at the moment, and I think proper advice and proper think-
19 ing on a higher level might be helpful.

20 MR. MC GINNIS: I spoke of this wide corridor.
21 Well, it was Charley Gibson or somebody that developed --
22 not developed, but let's say, talked about it, this back
23 to back type of school house construction, and I know you
24 are acquainted with that, where you do away with a central
25 corridor. You could argue for and against the central
26 corridor. Some think it is marvelous and some have

1 reservations. Nevertheless, there is where we talked with
2 the State Department of Education and we have experimented
3 with it, and we are experimenting with many other materials,
4 steel, concrete block and so on. It is one of these
5 things, it is a difficult situation, but we have certainly
6 got to listen and talk to each other on this school business.
7 The financing, of course, is the key, the money, and I know
8 you people are more than interested in it, and in many dis-
9 tricts, including our own high school district, it is a
10 dilemma at this time.

11 CHAIRMAN BRITSCHGI: Fine. Any other ques-
12 tions?

13 (There was no response.)

14 CHAIRMAN BRITSCHGI: Thank you very, very much,
15 Doctor. Its nice to have you with us.

16 It is a little bit after lunch time. I think
17 we can all find our way over to the cafeteria over here,
18 and we'll follow Don. I don't know whether Don knows
19 the way --

20 ASSEMBLYMAN ANDERSON: Dean Renshaw is up
21 there.

22 CHAIRMAN BRITSCHGI: Dean Renshaw and Dr. Sparks.
23 We'll go over to the cafeteria and get back here at one
24 thirty, because we do have a long program.

25 (The Sub-Committee thereupon adjourned for the
26 noon hour at 12:00 o'clock noon.)

1 LOS ANGELES, CALIFORNIA, THURSDAY, OCTOBER 9, 1958, 1:35 P.M.

2 ---oo---

3 CHAIRMAN BRITSCHGI: Can we get going, gentle-
4 men? We have a full schedule this afternoon, and we
5 would like to get done if we can. Some of our Committee
6 has make plane flights and we would like to get started.

7 Now, Dr. Benton, I think you are going to be the
8 next one on the witness stand here, sir, and we'll be very
9 happy to hear from you.

10 MR. REGINALD BENTON: (Superintendent, Norwalk-
11 La Mirada School District.) Mr. Chairman, members of the
12 Committee: I am happy to have a chance to talk to you
13 following the presentation of the Los Angeles City people
14 because I learned a great deal in listening to them, be-
15 cause they are a district that is not in this program. The
16 district I represent has been in all of the various pro-
17 grams that the State has offered for school buildings since
18 Chapter 1575 back in 1948, and a great deal of the things
19 that we have done and faced and so forth have been similar
20 to those brought out by Glenn Murdock in the testimony he
21 gave you.

22 I can remember the time that Assembly Bill 3903
23 was first introduced and made available. It was describ-
24 ed as revolutionary, and almost visionary because of the
25 entirely new approach that it took, and at various times
26 that I have heard it discussed it has been said that

1 probably this will never come to pass because it makes so
2 many changes in the concept of financing capital outlay,
3 or as Mr. Hegland might say, instead of capital outlay,
4 perhaps it is just operating expense. I would like to
5 raise the question here as to whether the interest in this
6 bill would be just as strong from the standpoint of the
7 author and those people who are, we'll say, willing to co-
8 sponsor it, if the "pay as you go" feature were not in
9 there, because I would see in this bill a great many im-
10 provements and advantages aside from the "pay as you go"
11 feature. In fact, the "pay as you go" feature that
12 baffles me the most, not being a financier, I cannot see
13 how during the overlap period, wherein the State is assum-
14 ing, if I am correct, Mr. Hegland, is assuming all these
15 obligations that have been created and that are being cre-
16 ated week by week, and month by month here as we continue
17 under our present financing setup, how can the provisions
18 of this bill and the availability of financing absorb all
19 these costs of the past and still get on the footing for
20 the future? Now, I realize that you have a very strong
21 feeling about this one thing, but suppose this could not
22 be achieved, but the other things could? In other words,
23 suppose you could do all the other good things that this
24 bill proposes, number 1: Bring every school district
25 in the State on the same footing. This would be a tre-
26 mendous thing if it could be done, and as one of the big

1 disadvantages and handicaps that those of us in the pro-
2 gram face today, because we are singled out, you might
3 say, as recipients of something that other districts are
4 not receiving; by and large the districts that are getting
5 State Aid under Chapter 19 and the previous ones are the
6 smallest, many times the weakest districts in the State,
7 they are not the largest and the best organized districts,
8 and so perhaps they have been subject to more criticism
9 in the manner of administering and expenditures of these
10 funds than would otherwise have been the case. So one
11 thing that 3903 does, it puts everybody on the same foot-
12 ing. It brings in the large and strong district and
13 subjects them to the same rules, regulations, restrictions,
14 approvals that the smaller districts have been subject
15 to under the present temporary measure.

16 I think it is proper to insert here that even
17 though we have found many, many faults and have sometimes
18 almost gotten to the point of frustration living with
19 Chapter 19, 1389 and others, it is probably still the best
20 State Aid Construction Program in the Nation today, even
21 though we find a lot of fault with it. We shouldn't
22 say it is without merit, but number 1, 3903 would put all
23 districts on the same basis.

24 Second, one other advantage, I think, or one
25 other gain that 3903 would have is that it does for the
26 first time, in my opinion, clearly define the function of

1 the various State agencies. Now, that is not done today
2 under Chapter 19. There are overlapping or maybe non-
3 conforming authorities, powers and discretions that are
4 exercised by the Department of Education, the Department
5 of Finance. This bill does clearly define what the
6 Department of Education shall do in relation to the total
7 program, defines the powers of the Controller and the
8 Allocation Board. This is a big event, so I would just
9 raise the question, not necessarily that I am asking you to
10 answer it, but would the sponsors be just as keen about
11 getting all of these good things if you still couldn't get
12 "pay as you go"? Suppose you still had to have some
13 kind of bond financing, because you could find no way to
14 live through these periods of years, and I would judge it
15 must be twenty years that you are going to live through a
16 period of double financing when you are trying to build
17 currently on a "pay as you go" basis, but you are picking
18 up all of the accrued deferred financing of the past, this
19 would seem to be a terrific problem and there are undoubtedly
20 experts in financing who could tell you how this could
21 be solved. I'm not one of them, nor would I even want
22 to pretend to do it.

23 I would say that our interest as the District
24 in this is considerable, but for the present, at the
25 present time, while we are interested in seeing this become
26 the way in which financing is done, capital outlay financing

1 is done, we are also interested in the improvements that
2 could be made in Chapter 19 right now, because undoubtedly
3 it is going to be a period of years before 3903 could pos-
4 sibly become law. Therefore, those districts who are in
5 need of more construction funds than they can provide them-
6 selves are still going to be in some kind of State program,
7 so if we assume that Chapter 19 and all the regulations or
8 all of the provisions of it are going to continue for a
9 number of years, then shouldn't we also be interested in
10 streamlining these things so that those of us who are in
11 the program now and cannot see our way out in the near
12 future will have, let's say, a better chance of building
13 schools and staying above water as far as the enrollment
14 is concerned?

15 For example, it would help considerable if
16 advance planning money were available to school districts
17 somewhat under the same terms and conditions as the Federal
18 Government makes money available under Public law 560.
19 Some districts have taken advantage of this under certain
20 conditions. This would be a big help under Chapter 19,
21 if you could get advance planning money.

22 Number 2, I believe that it would be better for
23 this program if the function of the school planning office
24 would be limited to the function that is provided for in
25 Section 18102 and 18172 of the Education Code. This pro-
26 vides for the advisory service of this office, and I use

1 the word "advisory" advisedly. Second -- or third,
2 rather, I believe that there should be for the benefit
3 of the district that may find themselves able to get out
4 of this program, there should be consideration given to
5 tax offset credit for school district bonds sold after the
6 district leaves the program. Now, may I say that while
7 we have been in State financing since 1948, we have been
8 out of the program twice. I won't go into details
9 necessarily why or how we got out, but at least we got
10 out twice for two periods of time; once for about eight
11 or ten months and once for two years, we were on our own.
12 During that time we sold bonds and we built schools. Well,
13 we get no tax offset credit. I know there has been a
14 lot of discussion in this State about the quality or com-
15 parison of buildings built with State money and buildings
16 built with District money. I would certainly invite the
17 members of this Committee, and the entire Committee if you
18 could find it possible to come to our district. I think
19 the district, we have been Mr. Jacqueth's best customer,
20 and if not the best, one of the best, then, if he could
21 call us a good customer. We have built a lot with our
22 own funds too. I would ask the Committee to come and
23 see if they can see any discernible difference between
24 the wings built with our money and the State money, right
25 side by side. I think this is significant because when
26 we build with our own money, and we are not in the program,

1 for whatever reason that might be, then we get no tax off-
2 set credit for it. Now, we have just returned to the
3 program. We were out of it two years. We got out of
4 it in July, 1956. We got back in in August of 1958.
5 During that time we expended one million, one hundred
6 thousand of district bond funds. Well, we built class-
7 rooms. We built some portable classrooms, we built some
8 permanent classrooms. Where we built portables, they
9 were the same kind of portable that we were building under
10 the State Program. Where we built regular classrooms
11 we built -- in fact, at the time the plans were drawn, we
12 didn't know that we were going to be out of the program,
13 so obviously there couldn't have been any difference be-
14 tween the quality of construction. The price may have
15 been different, but we can't regulate the price. We can
16 regulate the specifications, but not the price. Bidding
17 conditions, economic conditions will govern the price, and
18 someone that might be interested in building, delving ~~in~~
19 into this, I'm sure, will come up with the feeling that
20 there is not necessarily a difference in the school dis-
21 trict, because you build with your own money or you build
22 with the State funds.

23 The last point I would like to make in addition
24 to this one that I consider most important, the one I have
25 just touched upon, giving tax offset credit, the last point
26 I would like to make is that I believe that time could be

1 saved and perhaps with no loss of efficiency or confidence
2 if more reliance were placed on post-audit of a project
3 instead of the great detailed investigation of a project
4 before it is even built. The post-audit would bring to
5 light any lack of efficiency or lack of proper administra-
6 tion on the part of the district just as well as doing it
7 ahead of time and save a lot of time. In other words,
8 if the money could be made available -- I said we dropped
9 out of the program on a couple of occasions, this is why
10 we dropped out, really, in order to save time, because we
11 got off double sessions while we were off the program, and
12 now, I'm not saying the program didn't do us any good,
13 Heaven's no. We built five hundred some classrooms under
14 the program, but we got off double sessions while we were
15 off the program because we saved so much time, actually,
16 that we were able to get classrooms built at the time of
17 need rather than six or eight or ten months later, so I
18 would say in conclusion that I believe that Assembly Bill,
19 sponsored by Mr. Hegland, 3903, is not necessarily revolu-
20 tionary today, although it might have been looked upon at
21 the time it was introduced in that fashion, that it has
22 great merit and great hope because it puts all school dis-
23 tricts on the same footing in the State, it would give the
24 large district, the small district, the strong district,
25 the weak district the same opportunities, the same obli-
26 gations under this program. Second, that I can see it

1 would be a fine piece of legislation even though the
2 "pay as you go" measure could not be included, or you could
3 not find a way to do it. And third, that in the mean-
4 time, while waiting for this utopia, let's improve Chapter
5 19 to the extent that those of us that must still live
6 with it from time to time will be able to do better and
7 more and with more effect in the ultimate aim of housing
8 all the children.

9 Thank you very much.

10 CHAIRMAN BRITSCHGI: Fine. Mr. Hegland?

11 ASSEMBLYMAN HEGLAND: I want to thank you for
12 your kind comments. I certainly agree with you on both.
13 We ought to have a tax offset credit. I think that it is
14 very important to encourage districts to do on their own
15 and they should not be penalized for trying to meet their
16 own obligations.

17 MR. BENTON: Actually, the district that goes
18 on its own now pays a higher tax rate. The local tax-
19 payers pay a higher tax rate because you have the initia-
20 tive to get off the State Program.

21 ASSEMBLYMAN HEGLAND: This is Alice in Wonder-
22 land upsidedown legislation the way we have got it, and
23 the second point I agree with you also on the post-audit,
24 but now, I would support -- there are many features, I'll
25 grant you, of your question. There are many principles
26 here, and I don't think anyone thinks that we can go 100

1 percent, as Don indicated earlier, Don Anderson, who is a
2 very good Assemblyman, we can't go immediately on it and
3 even if we didn't go on "pay as you go" at all, obviously
4 one, we need equalization.

5 MR. BENTON: Right.

6 ASSEMBLYMAN HEGLAND: And two, I think that we
7 need to move in the direction, at least, of open end financ-
8 ing of this sort of thing Glenn Murdock was talking about,
9 instead of a square footage requirement, and we need to
10 make available to school boards dollars instead of square
11 feet for our unhoused children.

12 MR. BENTON: That's right.

13 ASSEMBLYMAN HEGLAND: This would protect local
14 control, so I would vote for these principles. As a
15 matter of fact, this is a visionary bill, and if we got
16 one-third, even one-tenth of it -- in the Legislature you
17 never get what you ask for, you know. You get one-tenth
18 and it has been a good day, and I don't have any questions
19 of you.

20 CHAIRMAN BRITSCHGI: Mr. Anderson?

21 ASSEMBLYMAN ANDERSON: No.

22 CHAIRMAN BRITSCHGI: I was going to say to you,
23 Dr. Benton, that I think Assemblyman Hegland is trying to
24 tell the Assembly in this particular bill, and speaking
25 for him now and he can certainly correct me, and I notice
26 that Mr. Jacqueth is here and also Mr. Lentz, but our

1 problem on this type of financing that we are doing at the
2 present time is that some day the Legislature is going to
3 have to face the fact that nobody is paying this bill, and
4 we are going to have to dig up some money, and I mean real-
5 ly we are going to have to shake it down from somebody.
6 Now, where it is going to come from to pay for this thing,
7 I would almost call it a falsified answer. I don't know
8 what Mr. Jacqueth would say, but we have a district in my
9 own area there that has borrowed over \$3,000,000, I think,
10 to this point, and haven't paid a penny back.

11 MR. BENTON: Mr. Britschgi, we borrowed thirteen
12 and a half million.

13 CHAIRMAN BRITSCHGI: Have you paid anything back
14 yet?

15 MR. BENTON: Just some of the interest.

16 CHAIRMAN BRITSCHGI: So someday the thing
17 is going to have to be faced up to, and how are we going
18 to do it?

19 MR. BENTON: But in spite of the fact we haven't
20 paid a penny on the principal, our local tax rate is higher
21 than many, many districts that have not been eligible for
22 the program, so we certainly shouldn't be paying any more.
23 I'm not saying we should be paying more, but you are right,
24 somebody someday is going to have to pick this up.

25 CHAIRMAN BRITSCHGI: I think that is what Mr.
26 Hegland has in mind, is that someday we are going to have

1 to accumulate enough money, we are going to have to pay
2 the bill, whether it is through a property tax or what
3 method it will be, I think the Assemblyman should be
4 certainly complimented for waking up the Legislature to
5 the fact that there is this financing problem, and if we
6 can just start this thing, at least get somebody started
7 to think on it --

8 MR. BENTON: I quite agree.

9 CHAIRMAN BRITSCHGI: -- I would say we are
10 doing a pretty good job on it.

11 I think we are criticized sometimes for holding
12 some of these meetings, but if one little bit comes out
13 of them, I think we have accomplished a very good point.

14 I won't ask you the same questions that have
15 been gone over because the answers are about the same
16 on local control, and there is no use --

17 MR. BENTON: I would say our District is very
18 interested in this matter of retaining local control, that
19 we very jealously regard our destinies in the matter. May
20 I make a one-sided comment here?

21 CHAIRMAN BRITSCHGI: Certainly.

22 MR. BENTON: It seems to me there has been a
23 great deal of preoccupation on the part of the Legislators
24 and others with the minute details of the school building
25 program. Now, correct me if I am wrong, but the amount
26 of money that is allocated each year for the building of

1 schools by the Allocation Board is around a hundred million
2 a year?

3 MR. JACQUETH: A hundred million, approximately.

4 MR. BENTON: I'll bet there's more heat and more
5 dissension over the allocation of that hundred million
6 than there is over the three hundred and sixty-five million
7 that is allocated in State Aid to all the districts in
8 the State every year, year after year. Now, why is this?
9 Why is there such a preoccupation with minute details of
10 allocating a hundred million dollars when year after year
11 State Aid and equalization aid we have three hundred sixty
12 millions going out to the different districts and being
13 expended? I don't know, maybe its just it is so new that
14 the attention of everyone is drawn to this, but I think
15 actually it is because it goes to a selected few districts
16 rather than everybody as a blanket.

17 CHAIRMAN BRITSCHGI: You are probably right.

18 MR. BENTON: There is one of the good things
19 about 3903, it puts us all in the same category.

20 CHAIRMAN BRITSCHGI: Fine. Thank you very
21 much, Doctor Benton. We appreciate your presence here
22 this afternoon.

23 Dr. Carpenter, is he with us this afternoon?
24 (No response.)

25 CHAIRMAN BRITSCHGI: Dr. Hawk is not here. Dr.
26 Ellerbroek?

1 UNIDENTIFIED VOICE: He's not here.

2 CHAIRMAN BRITSCHGI: Mr. Rupel?

3 MR. CLAUDE M. RUPEL: (Consultant, Riverside
4 County Schools.) I'm Claude Rupel.

5 CHAIRMAN BRITSCHGI: You're the next one. We
6 might just as well get right into your presentation.

7 MR. RUPEL: I will just say that I have no
8 formal presentation to make. I wasn't aware of the
9 meeting this morning and I'm very glad to be here, al-
10 though I think I have nothing of actually any value to
11 present to the group.

12 I have very much found myself in appreciation of
13 what Mr. Benton has just said in observing the functions
14 of the office in Riverside County. I believe that the
15 reactions I get from the districts in the County, we will
16 support what Mr. Benton has said in his statement here.
17 That is about all I have to present.

18 CHAIRMAN BRITSCHGI: Thank you very much. Any
19 questions?

20 (There was no response.)

21 CHAIRMAN BRITSCHGI: Thank you very much, Mr.
22 Rupel.

23 Now, Mr. Hill? San Bernardino County Schools.

24 MR. ROY C. HILL: (Administrative Assistant,
25 San Bernardino County Schools.) Yes. I'll try to
26 avoid being repetitious.

1 I certainly could find much agreement in some
2 of the statements that have been made this morning, but
3 I won't take the time of the Committee, except to emphasize
4 a portion or two. Certainly the Committee should be
5 complimented, I think, on this work that you are doing
6 because it is a very necessary area of investigation and
7 we certainly thank you for it, I'm sure.

8 First of all, regarding 3903, it seems to me
9 that the purposes of it we cannot disagree on, "pay as you
10 go", and certainly equalization is something we are looking
11 forward to some day. I would like to agree and emphasize
12 something that Francis Darby said this morning, and this
13 was in regard to the 70-30 split on this arrangement, if
14 school construction is not to be considered capital outlay,
15 but in these times when we are growing so rapidly, it might
16 be considered almost an operational cost, it would seem
17 only logical that the State might assume as much respon-
18 sibility for this portion as they do in the operational
19 costs, which I understand is about 50 percent. So it
20 would seem to me this might be worthy of consideration.
21 I'm sure you are considering this, and I am not sure where
22 the 70-30 limits have come from, but I think a 50-50 might
23 be investigated as well.

24 There is one other area I would like to comment
25 on, and this has grown out of this hearing today, in which
26 the statement has been made, or question has been asked, if

1 I may put it this way, regarding the use of school build-
2 ings, and actually, this is the thing we are most concerned
3 with, really. What use these buildings are to be put
4 to. Certainly we need buildings, there is no question
5 of that, but I think we are only interested ultimately in
6 their use. I think, Mr. Chairman, you asked the question
7 this morning, something about why didn't they put the little
8 children in a small room? Well, we could lower the ceil-
9 ings and get midget teachers and that sort of thing. I
10 mean, if this is the kind of thinking we are going to do,
11 there are those of us, however, who would believe that the
12 smaller youngsters need more room, and I think, I'm not
13 being critical of your question, don't misunderstand,
14 please, but I think this is one of the dangers, if you
15 take school planning away from people who are closely con-
16 nected with education. I think it might very well be an
17 opinion of a lay person that if we have small youngsters,
18 let's put them in a small room. I think this is a logi-
19 cal kind of thing, and yet, this is not a part of our educa-
20 tion philosophy, and certainly it would come in in this
21 matter of the use of the school room, and for this reason,
22 it would seem to me that the State Department of Education
23 should be included in this planning, in this work, to a
24 greater extent than outlined in the bill, as I understand
25 it, at any rate. I think they should be on the planning
26 a lot more. I believe the educators should decide how

1 these tools are to be used.

2 This ties in with another point I would like to
3 raise, at any rate. We have said constantly that we
4 want equal opportunity in education. This is true.
5 None of us would disagree, but I think that does not mean
6 we want to provide the same kind of education for everyone,
7 and this comes back to the local control issue again, that
8 in certain areas there might be a need for a particular
9 kind of a program, and here again I think education must
10 come into this rather than planning from some other level
11 or some other department. An area that might be very
12 interested in agriculture might wish to have buildings
13 of that nature, things of that sort, and certainly some-
14 thing from a central plan, any kind of State central plan-
15 ning of this sort, I think tends to be rather dangerous.

16 I would like to ask a question, or make one other
17 point, excuse me. In an area such as San Bernardino
18 County, and we are certainly on the eastern fringe of this
19 metropolitan area, we haven't yet begun to feel the impact
20 of the increase in population, I'm sure, like many of the
21 metropolitan areas have, thought we have had rather violent
22 subdivision activity in such places as Apple Valley and
23 Hesperia and some of these areas. It has been very
24 difficult for these places as well, with a two teacher
25 school one year and they have fourteen or fifteen teachers
26 the following year and double that the next year. This has

1 been repeated throughout the State many times, I'm sure,
2 but it would make this projection by the County Superin-
3 tendent's Office or by any other office a very difficult
4 kind of thing. Certainly the kind of projection that
5 is presently prescribed, it would be almost impossible for
6 us to do this, so I raise this question.

7 Then I would like to ask a question, if I may.
8 Perhaps this is not the time, but I would like to ask this
9 question some time along this line: I either missed in
10 the reading of the bill or missed in the interpretation of
11 it, does this bill, or would it do away with all local ef-
12 fort toward building construction?

13 ASSEMBLYMAN HEGLAND: With the permission of the
14 Chair, I'll say that --

15 CHAIRMAN BRITSCHGI: Mr. Hegland?

16 ASSEMBLYMAN HEGLAND: --That under this bill it
17 would be contemplated that there would be a floor provided
18 through this construction fund, which would provide in
19 every school district of the State an austerity program,
20 and that in order to maintain this austerity program, if
21 we were to adopt the "pay as you go" principle one hundred
22 percent, and you notice I am qualifying, Dr. Benton, in
23 that event there would be no local bond required or state
24 bonds required in order to maintain an austerity program.
25 If, however, as is provided, as we know, this isn't my
26 bill either, as you know, I mean, seventeen people and

1 eighteen agencies helped write this, but anyway --

2 CHAIRMAN BRITSCHGI: The truth will out.

3 ASSEMBLYMAN HEGLAND: -- but anyway, there are
4 districts in the State where the local people might wish
5 to provide more than an austerity program for their young-
6 sters, and the funds that they use to provide this addi-
7 tional opportunity for their youngsters would be their
8 responsibility, and Mr. Jacqueth would not pay one cent
9 of it, because the State of California in the concept in
10 this bill would simply be providing adequate classrooms
11 and adequate school facilities on a minimum basis for all
12 the youngsters all over, but if a local community wishes
13 to go further, they may, but that local community must then
14 make that decision itself and must pay every red cent of
15 the cost.

16 MR. HILL: They would do this through bonds?

17 ASSEMBLYMAN HEGLAND: They could do it any way
18 they wished.

19 MR. HILL: Well, I just wondered.

20 ASSEMBLYMAN HEGLAND: If they do it by bonds,
21 we are not paying the interest on these bonds from the
22 State level.

23 MR. HILL: In other words, this is a minimum
24 program that would be prescribed, and if the districts
25 wished to bond themselves to a greater extent, they could?

26 ASSEMBLYMAN HEGLAND: They could.

4 CHAIRMAN BRITSCHGI: Thank you ver much, Mr.
Hill.

Mr. Guy A. Daniels?

MR. HILL: I'm speaking for him.

CHAIRMAN BRITSCHGI: You are speaking for him?

MR. HILL: Yes.

10 CHAIRMAN BRITSCHGI: Now, Mr. Ostlie, Los Angeles
State College?

(No response.)

13 CHAIRMAN BRITSCHGI: Well, Mr. Muelder,
University of Southern California?

(No response.)

CHAIRMAN BRITSCHGI: Mr. Ash?

(No response.)

18 CHAIRMAN BRITSCHGI: Apparently they have all
19 left. Well, let's get down, then, to Mr. Jacqueth or Mr.
20 Lentz, whoever wants to come forward and see if we can
answer a few questions about finance from you.

22 MR. GILBERT LENTZ: (Assistant Legislative
23 Analyst.) My name is Gilbert Lentz, I am Assistant
24 Legislative Analyst in the office of the Legislative Analyst
in Sacramento.

26 How would you like to proceed, Mr. Chairman? I
have no prepared statement. We did have occasion at the

1 1957 Session when this bill was introduced and was being
2 considered and at Mr. Hegland's request to make some ana-
3 lyzes and some summaries of it and some estimates of the
4 cost and fiscal aspects at that time. Those have not
5 been brought up to date. I think something of the re-
6 lationships that were discovered then might be more or
7 less true today. I can summarize some of those for
8 you or I'll be happy to attempt to answer questions or
9 proceed in any way you would suggest.

10 CHAIRMAN BRITSCHGI: I think it might be well
11 if you would summarize the bill for us just a little bit
12 and the way you have found it and then there will probably
13 be some questions that have been brought forth in some of
14 the folk's minds, and we can ask them and we can all get
15 into the question and answer act.

16 MR. LENTZ: All right. Fine.

17 The financial aspects of the bill, which I think
18 have been brought out, would be basically these: This
19 involves the concept that the entire school construction
20 program, so far as bond funds are concerned, would be recog-
21 nized, put into one lump sum obligation, and then through
22 a tax system, a current tax system, levied, a uniform rate
23 levied countywide, there would be contributions to meet the
24 annual requirements of that composite bond obligation, in-
25 cluding the composite of what all the districts owe on their
26 outstanding bonds and the existing requirements on the State's

1 bond program, and the financing of it would be from two
2 sources: A contribution from the general fund, which
3 would be from general tax sources, and the balance of that,
4 the 70 percent would represent contributions then raised
5 by local taxes or countywide taxes.

6 Now, in a letter or memorandum prepared in 1957
7 we outlined some of these. Maybe with your permission
8 and the permission of Mr. Hegland, to whom these were ad-
9 dressed, I might read from that?

10 ASSEMBLYMAN HELGLAND: Sure.

11 MR. LENTZ: If that is agreeable, as I say,
12 these cost estimates and figures were in 1957 and were based
13 upon assessed valuations, necessarily, for the prior year,
14 and they would not be the figures now, but I think that the
15 relationships and approximate rates would be roughly the
16 situation today.

17 Our estimate of cost to the general fund in the
18 first year of operation of the bill is based on the assump-
19 tion that total annual requirements for school construction,
20 bond retirement and administration as provided in Section
21 30031 of the Bill would be approximately \$373,000,000 at
22 current levels of school construction. Now, those are
23 the figures for 1955-'56. In other words, that is the
24 composite construction requirements, bond construction,
25 school construction requirements. Considering both the
26 local and State sources, 30 percent of this amount under

1 the terms of the bill to be transferred to the general
2 fund would be \$112,000,000, from which there should be
3 subtracted the amount of \$18,000,000 which is already
4 cost to the general fund in meeting principle and interest
5 payments on outstanding State school bonds. That figure
6 is slightly higher today, but that is the current amount
7 which the State general fund pays in the retirement of
8 school bonds borrowed on behalf of school districts. That
9 is the figure, as you know, that will increase over a
10 period of years as the interest requirements and the amor-
11 tization requirements increase, and it is a figure too
12 that will be affected by the net cost to the general cost
13 and will be affected by how much the districts repay to
14 the State, although the State, as you know, has a primary
15 obligation. It is the general fund which pays the in-
16 terest and principle on the bonds in the first instance,
17 so the net amount of that, in other words, the estimated
18 approximate cost to the general fund would therefore be
19 about \$94,000,000 for the first year of operation, and
20 that is a figure that would vary, but that is a 30 percent.
21 Our estimate at that time of the 30 percent general fund
22 contribution, as is indicated in the analysis, this cost
23 would diminish over a period of years as the State and
24 local school bonds are retired. In other words, as
25 the local repayments increased.
26

We know of no way of determining the overall

1 cost or gain to the general fund over a long period of time
2 except that it could probably be expressed as cost or gain
3 depending upon the extent to which 30 percent of the total
4 construction costs as provided in the bill exceeds or is
5 less than the amount repaid in by school districts under
6 the present State program. In other words, I think it
7 was Mr. Hegland's intent in drafting this bill that the
8 30 percent was intended to have some relationship to what
9 was estimated to be the State's share of the total construc-
10 tion program over a long period of time. As you know,
11 the repayments by the school districts are not directly
12 related to the amounts borrowed, but the repayment is in
13 accordance with the ability of the district to pay by the
14 tax limit computation, but it was estimated at the time
15 that repayments under the original program, that repayments
16 might constitute about 60 percent of the total program,
17 the general fund's part about 40 percent. With a new
18 program and at the present time, the larger number of
19 school districts that come in for their second loans under
20 this will increase the State's obligation. On the other
21 hand, as school districts get improvement in their assessed
22 valuations, their ability to raise taxes, that will increase
23 their repayments to the State, so I think the 30 percent
24 was geared to that. That is an arbitrary figure in the
25 bill, I assume, that can be made at any level that the
26 Legislature might desire as a policy matter either to

1 increase or decrease contributions from the State tax
2 sources to this program, but on the basis of 30 percent
3 it was our calculation that the annual requirement would
4 be about \$94,000,000 from the State's general fund tax
5 sources.

6 Elements of cost to the State would appear to
7 be confined to these differences that I have described
8 above, between the present system of repayments and the
9 30 percent contribution to the fund as contained in the
10 Bill. Cost of administration would not appear to be
11 affected to any great extent, since the State already
12 incurs administrative expense in this regard, and adminis-
13 trative expenses of both the State Controller and the State
14 Allocation Board are to be charged to the program under
15 the bill. In other words, those administrative costs
16 of the Controller and the State Allocation Board are part
17 of the tax charge to come from the combined fund so it
18 is assumed there are no real important administrative
19 cost consideration in the bill. We are already doing
20 most of these things under the School Building Aid Program,
21 and the administrative costs are relatively minor in terms
22 of the total bond program in any case, represent a very
23 small percent of total.

24 However, it should be pointed out that there
25 would probably be considerable added cost to the general
26 fund over a long period of time, because the State will be

1 paying 30 percent of construction and bond interest cost
2 for all school districts in the State, whereas the present
3 program involves a State cost only to the extent that full
4 repayments are not made by those school districts which
5 are eligible to apply for State aid. In other words,
6 the State's contribution at the present time is related as
7 a part of the total picture of those districts which borrow
8 the State's 30 percent contribution, or whatever it might
9 be. The State's obligation on these is a percentage
10 of the total amount expended by the so-called impoverished
11 districts or the districts that are in the loan program.
12 Under this bill, of course, you are dealing with the entire
13 State, putting the whole construction program into one pot.
14 The outstanding bonds and the future needs of all districts
15 are the 100 percent, of which the State would be contrib-
16 buting 30, so it is the higher base and would probably
17 involve an increasing State's share or general fund share
18 for that loan. At the present time the State aided
19 program constitutes approximately 27 percent of the total
20 construction program. That is the relationship be-
21 tween the State Aid Program and the entire school construc-
22 tion program for all districts, whether they are in or out
23 of the State Aided Program.

24 Some additional comments regarding the bill
25 which occur to us have been discussed briefly with Mr.
26 Wright, and with Mr. Hegland briefly on this bill. The

1 chief of those might be summarized as follows: It is pro-
2 bably the intent of the bill that school districts enroll-
3 ment will be the basis for allocation of funds, which will
4 be the basis for an allocation of funds to a school district
5 on either actual or estimated net enrollment, rather than
6 the existing number and those eligible to attend in the
7 preceding year. That was contained in Section 10006,
8 but I think that was later amended and clarified in a later
9 version of your bill, Mr. Hegland.

10 It is our feeling it might be necessary or desir-
11 able to establish more specific legislative standards for
12 replacement of existing facilities as authorized in Section
13 30021 of the Bill. I realize that Mr. Hegland intends
14 this bill is not definitive, and it is discussed in that
15 light. It is the intent there would be areas that would
16 require further refinement for a workable, operating bill,
17 and I make these comments in that light, that they are to
18 try to identify, as we see it, some of the areas where I
19 think further definition might be desirable in a bill of
20 this kind, and I think undoubtedly that would be one of
21 the areas that would need to be further defined. Now, I
22 know that there has been a lot of comment here today on
23 standards by the State and the question of how far the
24 State should go in setting standards for the expenditures
25 of funds which it is allocating to local school districts,
26 and I am well aware of the feeling of local school districts

1 on that subject.
2

3 I live in a school district myself. I am not
4 a part of the administration, but I live in one, and I am
5 aware of their problems and their feelings, but I think
6 you have to recognize that it is inherent in any system
7 of the use of State funds to be allocated for expenditure
8 at the local level, these things present problems and pres-
9 sures on the State administration that have the responsibil-
10 ity for allocating these funds. I know that members of
11 the Legislature are always interested in seeing that the
12 funds are administered fairly uniformly, that the districts
13 are not entirely free to use the funds as they see fit
14 because we know that they will use them, because of local
15 interests and inclinations, in different ways, so there
16 has to be some degree of standards.

17 For that reason I think you would find it neces-
18 sary to give some minimum definition to some minimum stan-
19 dards to such things as replacement, if this program is to
20 provide for the construction of new school buildings where
21 they are needed, that can be determined on a pupil count,
22 a count of buildings, and how many pupils are there or go-
23 ing to be there, and that brings about a need for "X" num-
24 ber of classrooms. That can be fairly scientifically
25 determined, even though that involves difficulties, as
26 you know, but the allocation of funds for replacement as
well as new does involve the establishment of some kind

1 of standards as to when a building is usable, when it will
2 require replacement, under some fairly uniform state-wide
3 standards, and that is the reason for that suggestion.
4

5 Also, another thing that I think might need to
6 be considered is the timing of the allocations. As the
7 bill now stands, I think it undertakes to place a require-
8 ment on the Allocation Board, or the Controller, to deter-
9 mine educational needs, school building needs for the next
10 fiscal year, or for a next period, based on what they now
11 have in buildings and what they will have next year in
12 pupils, and then to determine the amount of tax that would
13 be necessary to finance that building for that same period.
14 Now, I think quite obviously these two things wouldn't
15 happen in the same fiscal year. In other words, there
16 is a passage of time, and sometimes a considerable period
17 of time before buildings are actually constructed, so that
18 the tax requirements determined on the basis of pupils
19 there next year might not build buildings, actually complete
20 a building in that district until some two or three years
21 later, so I think those things need to be considered and
22 can be considered. They can be worked out based upon
23 experience, and that is gearing the tax requirements to
24 the actual expenditures of the money, because there are
25 practical limits upon when this money can be spent for
26 school construction purposes, and the point is that the tax
money and the collection of the tax and that contribution

1 can be more closely geared to the actual expenditure of
2 it.

3 Now, those are some general comments as to the
4 financial aspects of the bill, as I say, based upon esti-
5 mates of assessed valuation and total building requirements
6 well, in 1957. I would be happy to undertake to answer
7 any questions that you might have on the bill, as I see
8 it.

9 CHAIRMAN BRITSCHGI: Fine, Mr. Lentz. Mr.
10 Hegland?

11 ASSEMBLYMAN HEGLAND: Just two. I would hope
12 that you would come up with something on replacement of
13 schools. This is a very weak spot in the bill, and
14 I don't represent Oakland, but if I were the Assemblyman
15 from Oakland, I would be very much concerned about this,
16 and certainly I think that we can have an open end financ-
17 ing theory, and I think you point is very well taken, Mr.
18 Lentz, on out-house children. One of the factors in
19 arriving at out-house children is, how many of our exist-
20 ing facilities are we going to suddenly count out of use,
21 and AB3903, if by some miracle it were adopted, first,
22 if I were the superintendent in some school district, I
23 might be inclined to go around and look at the buildings
24 very critically and decide half of them weren't usable
25 any more, and we would go broke every year, and there has
26 to be something done about that.

1 Your other point, I think, Gil, I think if you
2 read that memo over again on this cost to the general fund,
3 the intent of the bill as it was devised by our office and
4 the other groups, was that the overall cost to the general
5 fund not be greater than as at present. We are spending
6 about, of taxpayer's, of deferred taxpayer's money, about
7 a hundred million dollars a year. This analysis indicates
8 we will be spending, you said ninety-four, or about a hun-
9 dred million dollars a year. In other words, the State
10 tax there, with or without AB3903, we are putting up about
11 a hundred million dollars a year in school construction,
12 and I would like just to emphasize that that was the reason
13 that 30-70 basis was selected. Incidentally, I think we
14 would prefer it be 40-60 or 50-50. But I think your
15 analysis was very good.

16 MR. LENTZ: Yes; it is a policy level and
17 could be set at any figure. I think the thing is, the
18 policy considerations here, you can almost make any variety
19 of shifts, in who pays the bill as distinguished between
20 general taxpayers of the State or the property taxpayers,
21 and you can make variations into when it is paid. Now,
22 that's what is involved in your "pay as you go" principle,
23 and those are all serious policy things that change under
24 different circumstances. Now, as has been indicated,
25 one of the important features of this bill is to save on
26 interest cost. When you borrow, when you have this much

1 of a capital outlay program and this much borrowed funds,
2 that is a cost. It is an interest cost over a period of
3 years. Mr. Hegland expressed it in terms of, we have
4 got only 60 cents worth of classrooms for each dollar we
5 borrow. I would rather express it a little bit differ-
6 ently and say that for each dollar of borrowed money we
7 put into classrooms, it costs us a dollar forty over a
8 long period of time to pay for them, which I think is a
9 little bit different and may emphasize another point,
10 that there are two parallel sides to this question of "pay
11 as you go" as against bonding, and you have to take into
12 consideration a number of factors at the time the decision
13 is made. Many of you as private business men have that
14 decision to make under different circumstances. If you
15 borrow funds or any capital improvement funds, it has a
16 cost. It has an economic cost to you in the interest
17 cost that will be added for the borrowing of that money.
18 On the other hand, to use current funds instead of borrow-
19 ing for any particular project also has something of an
20 economic cost. If you have to increase your tax rate
21 in lieu of borrowing to be up on a current basis, up to
22 a point, in other words, get from the taxpayers now the
23 funds that would be necessary to building these improve-
24 ments, it is necessary to take funds, current funds from
25 them that otherwise would have some earning capacity to
26 him. That money that you take as tax funds, as a tax

1 collection on a current basis otherwise has an earning
2 ability. It could be used to reduce his interest re-
3 quirements elsewhere, it could be used to invest in his
4 business, and has an economic value to him, so that there
5 are two sides. I don't think that these two things run
6 parallel, because obviously there are points, circumstances
7 under which it is well to your advantage to do one or the
8 other situation, particularly in business where it is well to
9 your advantage sometimes to borrow, to use your current funds
10 for things that will have greater value to you at that time,
11 but all of those factors have to be considered in the pro-
12 position of "pay as you go" as against borrowing, and it
13 doesn't need to be all black or all white. I think, as
14 Mr. Hegland has indicated, these things can be part and
15 any place in between, depending on where is the greatest
16 need and the greatest advantage fiscally as of a given
17 point in time.

18 CHAIRMAN BRITSCHGI: Mr. Anderson?

19 ASSEMBLYMAN ANDERSON: I was going to ask
20 you a question about something you ended up there with.
21 I am a little bit concerned about this transition if this
22 bill were to go into effect. Now, a bond program as
23 against "pay as you go", this would start and it would go
24 into effect, we would all of a sudden be on "pay as you
25 go"; is that correct?

26 MR. LENTZ: Yes. Well, to this extent, as I

1 understand it, because there would no longer -- this would
2 assume, this would take all of the outstanding bonded in-
3 debtedness of all districts and put it in a hat and recog-
4 nize it as an obligation already incurred, and you can't
5 do anything about that, but it would, as I understand it,
6 would recognize the sum total of all outstanding bonds of
7 all districts, and the sum total of all bonds which the
8 State has issued, which the State has borrowed and loaned
9 to districts, all as one total, then adding on that what
10 would be determined to be next year's requirements for
11 school construction so that it would come out of this tax
12 pot rather than out of future borrowings, and then finance
13 the whole thing on a current basis, so that in the next
14 year, then, funds would be raised by this fashion and the
15 general fund contribution, enough would be raised to do
16 two things: To build next years capital outlay require-
17 ment and retire that next year's share of the total out-
18 standing bonds and their interest. Isn't that right,
19 Mr. Hegland?

20 ASSEMBLYMAN HEGLAND: Exactly right.

21 MR. LENTZ: So it would be a current basis to
22 that extent, that tax contribution annually. The tax
23 rate levied in each of the counties would be figured to
24 pay off annually the amortization of the principle and
25 interest on all outstanding bonds, but no other bonds
26 issued from that point on.

1 CHAIRMAN BRITSCHGI: Can I interrupt you at
2 this point, Mr. Lentz? Somewhere on some of these
3 studies we have had it seems to me the figure of 39 cents
4 rings a bell as to the amount of money that would be needed
5 to pay off. I have forgotten what it was. The aver-
6 age district bonded indebtedness at the present time?
7 Would that be a right figure? I am trying to reconcile
8 the dollar and half against thirty-nine as it is here.

9 ASSEMBLYMAN HEGLAND: A dollar twenty.

10 CHAIRMAN BRITSCHGI: Dollar twenty.

11 ASSEMBLYMAN HEGLAND: That is about right.

12 MR. LENTZ: A dollar twenty is in this bill
13 as a maximum.

14 ASSEMBLYMAN HEGLAND: That's right. I think
15 that is about right. I think although we arrived at
16 about one-third, a little more than one-third of the total
17 money it would take to finance this program would be money
18 to pay back that year's cost under previous years spending,
19 so about one-third of one twenty would be about thirty-nine
20 cents, so that is about right, but this money has to be
21 paid back sometime.

22 CHAIRMAN BRITSCHGI: That's right. When we
23 get to the point we are going to pay back the money, then
24 we are going to look at something, whether it is a dollar
25 and a half or a dollar twenty, whatever it happens to be?

26 MR. LENTZ: It takes additional, no doubt about

1 it, if you go on a current "pay as you go" basis. It
2 means additional funds, both at the local level and at
3 the State level. The State at the present time, I think
4 the interest requirement of the program is running slight-
5 ly over \$20,000,000, a figure that will increase over a
6 period of years, but both would be increased.

7 ASSEMBLYMAN ANDERSON: If the principal of
8 the bill could be figured at less than a hundred percent,
9 so that it would put the State's portion of the bond pro-
10 gram on a "pay as you go" program, could the provisions
11 of the bill be modified in such a way as to put just that
12 part into the program?

13 MR. LENTZ: Well, the State's share, or the
14 State's part in this program under the bill or under the
15 present School Building Aid Program -- now, I'm assuming,
16 this program, if it went into effect, would supercede the
17 School Building Aid Program -- the amount of funds that
18 have already been loaned under that would continue to be
19 obligations of the district?

20 ASSEMBLYMAN ANDERSON: That's right.

21 MR. LENTZ: That are figured into this, I
22 assume? But that we would no longer operate two programs,
23 one under the 1389 program and another under this? Now,
24 if you are speaking of the State's share in this, yes, I think
25 that could be put on a -- well, it would be on a current
26 basis.

1 ASSEMBLYMAN ANDERSON: Leaving the individual
2 school district's bond program as it is?

3 MR. LENTZ: Well, yes, that could be done. I
4 don't think, though, that would accomplish -- I'm not sure
5 that would accomplish what the author of the bill hopes
6 to accomplish.

7 ASSEMBLYMAN ANDERSON: I'm sure that is true.
8 It would not?

17 ASSEMBLYMAN ANDERSON: In other words, that
18 amount of policy change would be really negligible?

19 MR. LENTZ: That's right. That is a figure
20 that will increase over a period of years, but at the
21 present time, it is not a burdensome thing or requirement
22 on the general fund. It will increase, as I say.

23 CHAIRMAN BRITSCHGI: Thank you very much, Mr.
24 Lentz. Nice to have you with us today.

25 Now, I'm sure that Mr. Ostlie has been back in
26 here again. Is he in here?

1 UNIDENTIFIED VOICE: He didn't come back, I
2 don't think.

3 CHAIRMAN BRITSCHGI: He had an obligation this
4 afternoon.

5 I notice in the back of the room Bill Barton
6 who represents the California Teachers' Association. Bill,
7 do you have anything you would like to add to what has al-
8 ready been said?

9 MR. BARTON: No, sir. I don't believe I have
10 anything to add. Thank you very much.

11 CHAIRMAN BRITSCHGI: Nice to have you with us.

12 How about you, Dr. Sparks? Do you have any-
13 thing? Or does anyone else in the audience have any-
14 thing?

15 MR. SPARKS: I have one comment that I would
16 like to make that has occurred to me, since I listened to
17 the witnesses here. One of the problems in California
18 relative to our total school problem.

19 CHAIRMAN BRITSCHGI: Maybe it would be better
20 if you come up here?

21 MR. SPARKS: Won't take me that long. One
22 little comment I want to make. I wanted to say re-
23 districting is one of our problems in California and one
24 of the impediments we have in re-districting now is the
25 overlapping bond structure, the assignment of responsi-
bility for existing bond issues. This seems to impede

1 the re-districting process. Now, if we could under the
2 terms of Mr. Hegland's bill, if all of these bonds could
3 be gathered together and become a general obligation of
4 this State School Construction Fund, it would remove that
5 impediment against re-districting, is that right, Mr.
6 Hegland?

7 ASSEMBLYMAN HEGLAND: Let's see. What were
8 you referring to again, sir?

9 MR. SPARKS: As you propose in your bill, if
10 we could take all the existing bond obligations of school
11 districts and lump them together in one lot and they would
12 be paid off by this dollar twenty tax which you propose,
13 then that would relieve all the districts of their present
14 bond obligation, more or less?

15 ASSEMBLYMAN HEGLAND: That's right.

16 MR. SPARKS: That would also take the pressure
17 off of districts who might otherwise be willing to unify?

18 ASSEMBLYMAN HEGLAND: Well, you answer that
19 question "Yes", and this is more Dick Wright's opinion,
20 but I share it, if we were to consider the State of Cali-
21 fornia for school construction funding purposes to be one
22 district, as does this concept, we would then remove the
23 extraneous, to me and to Jack, elements in school districts,
24 and we could then form our districts on educational lines
25 to meet community problems on a homogenous type of view
26 rather than an entirely false point of view. Well, this,

1 of course, as Carl Britschgi knows, we are very much inter-
2 ested in it. We have little industrial areas stolen and
3 school boards competing for them, and this certainly is
4 not in the best interests of school planning, and this is
5 a supplemental benefit of this concept, only I must give
6 credit to this thing to Mr. Robinson.

7 MR. SPARKS: I was going to say that is one
8 of the beneficial outcomes of your bill that I didn't
9 hear mentioned this morning. Thank you. That is the
10 only comment I wanted to make.

11 CHAIRMAN BRITSCHGI: Is there anything you
12 have to add, Mr. Jacqueth?

13 ASSEMBLYMAN HEGLAND: May I ask one question?

14 MR. JACQUEUTH: Well, Mr. Chairman, it occurs
15 to me there are just a few remarks I might make at this
16 time if you would like.

17 CHAIRMAN BRITSCHGI: Fine.

18 MR. H. H. JACQUEUTH: (Chief, State Allocations
19 Board.) Jacqueth is my name. With the State Department
20 of Finance, Local Allocations Division.

21 Of course, this as has been spoken of here today,
22 opens an entirely new philosophy, especially in the State
23 and local government, toward the payment of bills for
24 construction. I mean by that that we think of cities
25 and counties and districts of most any type, we usually
26 think of the capital outlay program and the general

1 philosophy is that the benefits from those districts should
2 be and commonly are paid for by the future population, so
3 that is one of the problems that it seems like would need
4 to be met, and I think Mr. Hegland realizes that and perhaps
5 has discussed it and maybe has tried to think of ways and
6 means to overcome such objections as might be made. We
7 thought that your committee would like to have submitted
8 to it information concerning the existing State School
9 Building Aid Program, and that is the only program that
10 we feel capable at all of talking about, and we did start
11 to get together information to bring down to this particu-
12 lar meeting. However, this is the time of the year when
13 our staff is pressed very hard in getting together the in-
14 formation that we need to submit to the Controller's Office
15 concerning repayments under the existing program, and the
16 material is not yet finished, so I am asking if it is
17 satisfactory to you, we will have that prepared, we feel
18 that any information that we will have will be more or
19 less factual, and we just don't like to try to submit in-
20 formation on our own opinions because after all, we are
21 trying to administer an existing bill, and the only infor-
22 mation we have is factual information which we may be able
23 to obtain for you from our files. We are not educators,
24 we are merely there to administer the procedure as it is
25 established and as it is interpreted by the present bill.

26 There are a number of things that will come into

1 that report, which we would like to report to you, concern-
2 ing the various areas that have been discussed here rather
3 briefly, and I presume because the people discussing it
4 didn't feel that today was the proper date to discuss areas
5 because you are talking perhaps in policy matters and later
6 that would come in injection or placing in your bill.

7 The question of projections into the future, we
8 believe we can give you some information which may be in-
9 teresting and helpful to your committee from the standpoint
10 of projections. This morning, I just don't recall who
11 it was that mentioned that Mr. Frisen had worked a little
12 bit with projections, and the Department of Education has
13 worked quite at length to obtain some adequate method of
14 projecting this student population, and from information
15 which we have had, and because of requests that have been
16 made to our staff, that we have made very simple studies
17 relating to projections of student population, and so we
18 would like to submit something to you if we can concerning
19 at least the thoughts that would come from these projec-
20 tions, from the material and information that we have.

21 Then too, I don't think that the scope of this
22 construction program has been covered by the discussions
23 here today. I believe perhaps that the thought has been
24 generally around new construction, that if we take a new
25 school district, here we are, we set over in this corner
26 of a county or city a new school plant, perhaps on a new

1 site, but there are other problems. There are problems
2 of additions, and adding maybe just one classroom to a
3 school plant or a number of classrooms, or rehabilitating
4 existing classrooms. Now, those problems although they
5 may seem minor, they do bring about the problems which
6 would be reflected in construction amounts, and in addi-
7 tion as sites only, the purchase of sites, no construction
8 whatsoever, which is made on a projection of student enroll-
9 ment in three years or five years, whatever number of years
10 you may decide, or that a new site over here would be need-
11 ed by these particular school districts, and so we would
12 like to submit what we can concerning those four items,
13 and the question of the tax rate in your counties. What
14 would be expected of the counties. Now, Mr. Lentz has
15 given you just a little information there, based on some
16 information from a couple of years ago. Each year we
17 need to bring up to date our information, and this is on
18 only state school building aided projects, concerning the
19 assessed values and the amounts of money which school dis-
20 tricts may hope to raise, as a result of their assessed
21 values. These things change, as you all know, and we
22 feel that perhaps we could give you an indication of the
23 rate of change. Sometimes we are tempted to forget that
24 we may not have a continuing rise spiral. We often times
25 wonder when the population of the other states will be de-
26 pleted to such a point we won't have this continual increase

1 of population here in California, but what we need to con-
2 sider in migration as well as new population, and we would
3 like to mention something about that in this particular
4 report too, and the estimates of cost to the State as well
5 as to the district, perhaps we could cover that to a cer-
6 tain extent in this report, and so with your indulgence,
7 if it is satisfactory to your committee, we would like to
8 submit information, and we will try to do that in written
9 form if you like ahead of time, or at the meeting at least,
10 for your consideration and for the use of your committee
11 during the rest of your deliberations after this next
12 meeting in San Francisco.

13 CHAIRMAN BRITSCHGI: Fine. We appreciate that
14 very, very much, if you could gather that information for
15 us.

16 Mr. Hegland?

17 ASSEMBLYMAN HEGLAND: Carl, I would like,
18 and maybe Jim or Blanche could give us this in writing,
19 but I would like to have you get about three questions,
20 if you could, and I know your staff is busy and maybe you
21 won't be able to, but one is, I would like to know how
22 much money has been made available to school districts
23 under our existing program this year, and how much money
24 has been returned to our school districts, has been
25 returned to the State from school districts.

26 The second question is, I would like to have you

1 make an estimate as to what the total interest and bonding
2 and financing costs are of the bonds, local and state.
3

4 MR. JACQUEUTH: What was that last?

5 ASSEMBLYMAN HEGLAND: You already have this:
6 I would like to have the total financing cost of the exist-
7 ing bonds, local and state.

8 MR. JACQUEUTH: Yes.

9 ASSEMBLYMAN HEGLAND: And the third question
10 is: If you do have any questions as to suggestions as
11 to set up some sort of controls on replacement of facili-
12 ties, I think this would be urgently needed in the January
13 session of the Legislature, and those are my only three
14 questions for you for San Francisco.

15 But I have one question now which is just infor-
16 mal and you don't have to answer it if you don't feel you
17 can. As you read the bill, do you think under the terms
18 of AB3903, that local control would be strengthened or
19 weakened in terms of the existing program, or in comparison
20 with the existing program?

21 MR. JACQUEUTH: Well, as I recall, Mr. Hegland,
22 I haven't read the bill in detail since the session; I
23 looked over the brief synopsis that you have provided,
24 but as I remember, I believe it would remain about the
25 same. I don't think there would be any more control by
26 the State than there has been in the past, nor do I believe
there would be any less. I think your evidence that is

1 submitted to you here today would indicate to you that any
2 time that you borrow money from anybody, you are going to
3 have somebody say something about that particular money,
4 and particularly in government, it is very, very difficult
5 for money to be loaned or given or granted or whatever you
6 want to call it, to a school district or any type of a
7 district without some strings on it, and I don't think
8 that the bill, as I recall it now, would place any extra
9 controls over it other than there is at the present time.

10 ASSEMBLYMAN HEGLAND: Thank you.

11 CHAIRMAN BRITSCHGI: Mr. Anderson?

12 ASSEMBLYMAN ANDERSON: No questions.

13 CHAIRMAN BRITSCHGI: Mr. Jacqueth, from your
14 job in Allocations, do you feel that there is an area
15 there where we can save the districts money through a
16 closer watch, we might say, on the type of building or
17 the feasibility of the buildings that they are requesting
18 money for? I realize under the State they have certain
19 minimums that they have to meet, but is there anything
20 along the line that we can help the situation to stretch
21 this money a little bit further? Do you have any
22 comment on that?

23 MR. JACQUETH: Well, Mr. Britschgi, maybe I
24 can talk off the cuff on that if you don't mind?

25 CHAIRMAN BRITSCHGI: Yes; sure.

26 MR. JACQUETH: We have about 1900 or 2000 --

1 maybe you people have it definitely in your record -- exact-
2 ly how many school districts there are in the State? That
3 means you have that many Boards of Trustees, or at least
4 some sort of a Board or group, who looks after the funds
5 of those particular districts. That means we have just
6 about that many different ideas up and down and through
7 the State as to what might be constructed, and it doesn't
8 mean that we have that many architects doing the job, but
9 I think we presently have probably a little more, a small
10 number, probably no more than a hundred architects working
11 on school aid programs, and school aid programs at the
12 present time run almost exactly a third of the total number
13 of school districts, better than six hundred, and from a
14 standpoint of total expenditures, it runs almost exactly
15 the same percentage, about one-third of all the moneys
16 spent presently in the State for school purposes is spent
17 for school aided programs, and to accomplish the results
18 of what you are asking about would require much more in
19 the line of requirements or rules and regulations than is
20 presently available.

21 The Allocation Board has diligently tried to
22 remove itself as far as it can, and our staff, and we have
23 discussed that many, many times, tried to leave those dis-
24 tricts alone, if that is one way to put it, as much as we
25 can in their construction, and the control that exists at
26 the present time is one of cost, and cost only. In other

1 words, this particular room you are sitting in now, if we
2 glance around it looks rather simple in its particular con-
3 struction, but you should see some of the multi-purpose
4 rooms that come in, and their plans and specifications as
5 compared to this one for construction, and the only control
6 the State has is how much is that multi-purpose room going
7 to cost? Your Act at the present time, and I speak of
8 "Your Act", because the Legislature passed it, provided
9 that there be a certain cost per square foot for this type
10 of a room and that has been designated and set up by the
11 State. Now, the only control that we get as to whether
12 there will be more acoustical material on the wall here,
13 or there would be less, or would they have a more elaborate
14 lighting system in here, is it going to cost more than that
15 cost per square foot, in the money set aside for this par-
16 ticular room. So if you do want to accomplish a greater
17 measure, we'll say, of uniform control, so that school
18 district aid under Mr. Darby's County, is going to be some-
19 what the same as the one up in Yreka, it is going to take
20 more rules and regulations than you have at the present
21 time to do that.

22 We have attempted through the existing set of
23 rules and regulations not to get into that any more than
24 we need to do it. The State has been divided into
25 nine separate districts, and each one of them, we know,
26 varies, as you can well realize, that in the mountainous

1 counties, the needs for different types of construction
2 than one over at Palo Verdes, we'll say, and the costs
3 are different, so that it is a very difficult problem,
4 but it can be done. If it is done, it should be done
5 through Legislative Act rather than through the rules and
6 regulations of, we'll say, the State Allocations Board.
7 At least there should be stronger provisions toward that
8 particular subject in a Legislative Act rather than to
9 have it left to rules and regulations.

10 CHAIRMAN BRITSCHGI: Following that along now,
11 and this is my last question: Do you think if we had
12 these rules and regulations we could spread the money a
13 little bit further?

14 MR. JACQUETH: Oh, indeed you could. I think
15 so.

16 CHAIRMAN BRITSCHGI: All right.

17 MR. JACQUETH: I think you could. Again you
18 come back to this particular room, a multi-purpose room,
19 many of them are like this. Here you have more or less
20 of a simple stage, you don't have drapes over the front,
21 you don't have drapes over the windows, you don't have a
22 lot of other things in this room that you would find even
23 in the elementary school or lower grade of high school,
24 seventh and eighth grades. They want their rooms finish-
25 ed. The school of today must be the finished product,
26 very latest, instead of one that goes along in a simple

1 fashion and so just those differences would make savings
2 if it was desired on the part of the school district, or
3 if it were forced on them by the State.

4 CHAIRMAN BRITSCHGI: Any other questions?

5 (There was no response.)

6 CHAIRMAN BRITSCHGI: Any other questions in
7 the audience? Maybe somebody in the audience might
8 have a question to ask of Mr. Jacqueth?

9 (No response.)

10 CHAIRMAN BRITSCHGI: If not, sir, we certainly
11 thank you very much and appreciate you being here.

12 Now, is there anyone else who has been in the
13 audience that hasn't had an opportunity to speak? Would
14 they like to speak now?

15 (There was no response.)

16 CHAIRMAN BRITSCHGI: We would certainly like
17 to thank you all for appearing here and thank you for your
18 participation in the program. If any of you wish to
19 have a transcript of what went on today, I'm sure if you
20 would contact our Secretary or Mr. Jim Marshall, in due
21 time when they get them all printed and out, they might
22 be happy to send them out. They are very good people.
23 I see Jim making a face over here. I think we may have
24 an extra copy or two for you. Will that be all right,
25 Jim? That may not be a good statement to make, but I
26 think we can get you one if you want it.

1 ASSEMBLYMAN HEGLAND: I want to say before we
2 close, since I'm in Don Anderson's District, it so happens
3 he is a Republican and I'm a Democrat, but on the Education
4 Committee, and I hope you get this down in the record, I
5 want it in the record, we don't pay much attention to
6 partisanship. We learn these Republican youngsters
7 and Democratic youngsters and even the Prohibition young-
8 sters all have to go to school, and it is our job to pro-
9 vide those facilities for all the youngsters of all the
10 people, and Don has been a very fine member of this Com-
11 mittee and has made very substantial contributions to the
12 Education Committee, and if this District -- what is the
13 number of it?

14 ASSEMBLYMAN ANDERSON: Forty-fifth.

15 ASSEMBLYMAN HEGLAND: The Forty-fifth District.
16 If the Forty-fifth District should return Don, they will
17 be making a contribution to the Education Committee of
18 the State Assembly and we on this Committee, I think, and
19 Miss Hanson, that this is the most important committee in
20 the State Legislature. End of statement.

21 | CHAIRMAN BRITSCHGI: Yes?

1 ASSEMBLYMAN HEGLAND: That's right.

2 MR. MC GINNIS: Now, what I'm concerned about
3 in Los Angeles County there are 17 Junior Colleges and
4 11 districts, but as you know there are certain open dis-
5 tricts in L. A. County, such as Montebello, and Burbank
6 and Whittier and so forth, and what I am concerned about
7 in this Whittier area, in one of our studies, I think, has
8 well over half a million people. And maybe that's in
9 your district. Now, does this 3903, let's say, trigger
10 the evolution or commencing of junior college districts
11 in Montebello, or, let's say, Whittier would immediately
12 have a junior college district and plan a junior college?

13 ASSEMBLYMAN HEGLAND: To answer your question
14 categorically, I think, and this has been discussed with
15 junior college people too, I think there would certainly
16 have^{to} be some control set up over the formation of new
17 junior college districts, but already we have at this time
18 a trigger in effect, because most existing junior college
19 districts, I understand, are now levying about a \$300 fee.

20 MR. MC GINNIS: That's right. According to
21 the Code.

22 ASSEMBLYMAN HEGLAND: That's right. So actu-
23 ally, this \$300 fee is a school construction cost item and
24 should be included in the dollar twenty. That is one
25 part of the answer. The other part of the answer is,
26 AB3903, by setting up a State fund will make junior college

1 facilities available when they are needed, because they
2 will be needed very soon, because in three or four years
3 this avalanche of youngsters will be hitting this age of
4 youngsters, and unless we do have additional equipment very
5 quickly at that level, we will have a whole generation of
6 youngsters discriminated against, not because they were
7 from Mississippi, but because they were born at the wrong
8 time, and I think we have to face up to some sort of a deal
9 to make funds quickly to provide facilities on the 13 and
10 14 year level, and I think that is one of the concepts in-
11 volved here. If it is not done through this bill, I
12 think somebody must do something, maybe through a state
13 matching fund proposal that some of us were playing with
14 last time, but something has to be done now to make funds
15 immediately available to junior college districts to en-
16 courage the increased expansion rapidly of additional
17 facilities on the junior college level. Otherwise,
18 what we will do, we'll just wait if we don't until we
19 have already double sessions or the equivalent in junior
20 college level, and we'll make such a botch there, just
21 as we have in the elementary schools ten years ago; if
22 we start now, now is the best time to start, rather than
23 getting off on the wrong foot.

24 Does that answer your question?

25 MR. MC GINNIS: Yes. And if like L. A.
26 City had a \$26,000,000 junior college bond issue last June,

1 and according your bill, then, that would all be thrown
2 in the hat, as he says?

3 ASSEMBLYMAN HEGLAND: That's right.

4 MR. MC GINNIS: And we, or L. A. City, or
5 Pasadena, wouldn't necessarily be penalized, the whole
6 County? What you are really doing is making a County
7 Junior College District?

8 ASSEMBLYMAN HEGLAND: We are really making a
9 State Junior College District.

10 MR. MC GINNIS: Okay. State.

11 ASSEMBLYMAN HEGLAND: Thank you. I do not
12 think that Los Angeles, if you look at it from the point
13 of view of an entire county, I don't think AB3903 will
14 penalize L. A. County. Now, it might penalize someone
15 like San Francisco, because San Francisco County is much
16 more mature, and they are much more built up and you are
17 just being built up.

18 CHAIRMAN BRITSCHGI: Thank you very much. Is
19 there anything further?

20 (There was no response.)

21 CHAIRMAN BRITSCHGI: We will now adjourn.

22 (The meeting was thereupon adjourned and closed
23 at 3:00 o'clock, p. m.)

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4 REPORTER'S CERTIFICATE
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This is to certify that I, HAROLD KRABBENHOFT, CSR, Official Court Reporter for the County of El Dorado, State of California, was present at the time and place the foregoing proceedings were had and taken on Thursday, the 9th day of October, 1958, in the Music Drama Auditorium, Los Angeles State College, 5280 Gravois Street, Los Angeles, California; that I did take down in Stenograph writing all of the aforementioned proceedings fully, truly and correctly to the best of my ability; that I thereafter caused my said Stenograph writing to be transcribed into longhand typewriting; that the foregoing pages beginning at the top of page 1 to and including line 23 on page 132, constitute a full, true, accurate and correct transcription of my said Stenograph writing.

Dated this 29th day of October, 1958.

CSR

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Official Court Reporter,
County of El Dorado.